

The very size of *Progress and Poverty* — 563 pages in the standard edition — demanded qualities of authorship which Henry George had had no earlier occasion to exercise. Even the many chapters that drew on the thought and phrases of old editorials and recent speeches required him to make associations of ideas hitherto unmade, and to weld structures of logic at culminating heights above any he had ventured before. There were also new areas to fill in, weak spots to strengthen and develop. This is especially true of the first, second, and third ‘books,’ and the tenth and final one, where he made his great dissents from classical economic doctrines, offered a revision of the theory of economic distribution, and made the strongest affirmations of his own social faith.

In a true sense, accordingly, the total argument came out new. Though George’s reform contentions remained the same as in the *Post* in 1873 and after, and the same as in the addresses, his new completeness and definiteness, and the fresh assimilations of scholarship — the infrequent miracle that a living book had been born put the author’s ideas on a new footing altogether.

Readers of this biography, who may pick up *Progress and Poverty* still bearing in mind George’s fifteen years of writing and speaking about California affairs, will sense, more completely than his con-temporaries did, how intimately the book bears the marks of the region of its birth. To be sure the text is strewn with California illustrations. There are some fifty of them, picked up from Sierra mining camps to seal hunting in the Santa Barbara channel; and they are more numerous than illustrations from all other places. But all illustrations are incidental only, in a treatment mainly logical, abstract, and moral. It took Dr. Edward Taylor’s inside perceptions to say, on publication: ‘It is not merely an American book, but a California book. We do not mean merely that it is a book written in California by a

Californian, but that it is distinctively and peculiarly Californian, for not only are its illustrations drawn from this coast, but the freshness of its views bespeak the novel and suggestive circumstances that have been presented in California.’

In California and of California, but not especially for California, nor even for the United States, was the book executed. George found literary devices, over and above the logic of argument, to sustain the note of universal meaning. Systems of thought which are fused by the ‘imagination,’ says Isaiah Berlin, a wise man of our day, ‘if they are filled with sufficient energy and force of will — and it may be added, fantasy, which is less frightened by the facts and creates models in terms of which the facts are ordered by the mind — sometimes transform the whole outlook of an entire generation.’

In *Progress and Poverty*, fantasy takes the form of incorporating Mrs. Browning’s sonnet of the working children, rather than statistics, to convey a situation; it takes the form of quoting a bit of Hindu lore, and recurring to the quotation as a leitmotiv in a music drama, to renew for the reader the author’s main diagnosis of social evil. ‘To whomsoever the soil at any time belongs, to him belong the fruits of it. White parasols and elephants mad with pride are the flowers of a grant of land.’ No exercise of the author’s imagination worked more effectively than the decision to abandon a humdrum title — he had announced before publication a forthcoming work on the ‘Political Economy of the Social Problem’ — for the famous one. To twentieth-century readers, the Victorian oratorical quality of *Progress and Poverty* at certain climaxes is likely to be distasteful; but this is a simple reflection of George’s age, and of his own public speaking during the period of writing.

The work makes many levies on social thinkers not previously tapped by George, or certainly not marshaled in force. Where in newspaper days he drew on John Stuart Mill’s text, and we can be sure of little else in economics, *Progress and Poverty* shows, as we shall see in some detail, knowledge and use of Ricardo, and in some degree of Adam Smith (though not a thorough knowledge yet, if ever), and of Malthus, Cairnes, Fawcett, Herbert Spencer, and others. In the less economic and more historical and sociological passages, the book indicates interesting leads or borrowings

taken, notably, from Sir Henry Maine and Walter Bagehot and Sir William Jones, contemporary British lions of social research and theory, two of them students of India. Like many a Californian in business, to make his borrowings George went straight to the resources of the mother country. A few American economists, like Perry of Williams and, most notably, Francis Amasa Walker, did offer him something usable. But in the main it was the famous English thinkers, contributors to the ideas and policies of liberalism, asserters of laws and uniformities in society comparable to the laws of physics and biology, who gave him intellectual capital to draw on. He sought no farther than the English Channel. The famous similarities between Henry George's economics and Physiocracy to the contrary notwithstanding, the author of *Progress and Poverty* up to this point had no effective knowledge of French thought, either from Turgot's century or August Comte's.

For reasons of analogy at least, and because just possibly a philosophical writer may have influenced him profoundly, a chapter from Thomas Henry Buckle's already famous *History of Civilization in England* demands mention. This was Buckle's brilliant 'Examination of the Scotch Intellect during the Eighteenth Century,' which we know George pondered carefully. Commenting on Adam Smith, the historian noted that the great economist had written his two treatises from quite separate premises about human nature, and had never reconciled them. 'In his *Moral Sentiments*, he ascribes our actions to sympathy; in his *Wealth of Nations*, he ascribes them to selfishness.' Buckle explains that Smith wrote with one hand as though men lived in great and religious concern with affairs outside themselves, and so evoked the highest principles and the deepest emotions; with the other hand he wrote as though selfseeking were the only motive in the world.

We would have to disregard much in Henry George's life to suppose that the reading of Buckle's *History of Civilization* taught him for the first time that the poles of human action are far apart, and that a philosopher needs to relate them to one another. Even when he was a youngster, he alternated between cool description and intense exhortation; and the letters and editorials and speeches of the California printer, editor, and reformer had often voiced romantic utopianism in one vein and muckraking and

near-determinism in another. For years he had managed a balance between the two without advice from a great historian. But George's native capacity to see life both ways — to consider the economic man and remember also the Christian — does not exclude the possibility that Buckle's observation posed him an issue and gave him food for self-consciousness, while he was writing *Progress and Poverty*.

Whether this be true or not, certainly the 'Scotch Intellect' chapter expresses the central philosophical problem which every economist who rejects materialism must in some way face, and which was present and immediate with George while he was writing. The strictly economic reasoning in *Progress and Poverty* rests squarely on the nineteenth century's common, hedonistic and selfish pleasure-pain psychology.⁸ And the reform reasoning rests on the vastly different Christian and democratic presumptions of the author's life of faith. George's dual role as economist and as reformer makes acute the tension between the two assumptions about the nature of man, in the pages of the book.

The whole architecture of *Progress and Poverty*, indeed, is arranged to accommodate this duality. In the large the book may be envisaged somewhat on the order of the Berkeley and the Fourth of July addresses of 1877, as offering the reader two sequences of thought, distinct and separable but each dependent on the other. The major sequence begins in the introduction, with a concise statement of 'The Problem' of the book. This is Henry George's old paradox of fifteen years of articles, editorials, and speeches: that modern material progress actually increases poverty and insecurity, that under industrial conditions depressions strike, Huns rise in the cities, and wars threaten, all in increasing terror. The opening section of the book presents the author's moral vision of the social question completely: it presents the question of the failure of modern men to deal justly with one another.

George's moral question is suspended here, without the solution his moral faith had to offer, while the succeeding 450 pages take up what we shall call *Progress and Poverty's* 'economic syllogism.' This is the well-remembered core of the book, the part which criticizes and tries to amend accepted economic theory, which reviews and finds to be lacking all current programs of social reconstruction, and which offers George's own program. Though the economic syllogism occupies the larger part of the text, it is

really the minor one of the two sequences of thought. It particularizes the nature of the social question posed in the introduction, and it names a *possible economic procedure* to solve that question. But it has no reach of thought to assure the reader that humanity has the power to follow through, to make good its economic insights and actually replace moral evil with moral good.

In entirely specific terms, the essential argument of the economic syllogism begins in Book III, where George for the first time systematized his ideas on 'The Laws of Distribution' in economic life. The place of this elaborate and important piece of writing, in the syllogism, is that of first premise. The essential proposition is that rent — an increment of monopoly not earned by individuals — always and everywhere opposes and reduces wages and interest, the returns which the economy makes for labor's toil and for the investment of capital. The second premise of the economic syllogism, in Books iv and v, is historical rather than theoretical like the first. It incorporates the depression ideas of the address, 'Why Work Is Scarce,' and asserts that the forces of industrial economy operate observably to enlarge the take of land ownership, and that that creates unbalance, poverty, and depression. The conclusion of the syllogism appears in Book VI, 'The Remedy,' and is justified in Books VII, VIII, and IX, the 'Justice of the Remedy,' the 'Application of the Remedy,' and the 'Effects of the Remedy.' In this long passage Henry George made his classic presentation of the necessity to do away with private property in land; and he suggested his alternatives to private property and painted the utopia that would follow if economic rent were taken for the public benefit.

Had Henry George been an ordinary nineteenth-century believer in the idea of social progress as a nearly automatic process, he could reasonably have submitted the argument of Book III through Book ix, the economic syllogism, and could have spared himself bothering with the rest. Then the reform would have been proposed and argued within the limits of economics, and the tacit assumption would have been made that the simple common sense of mankind could be counted upon to provide adequately for mankind's betterment.

But any such optimistic presumption would, as we know, have been quite false to Henry George's feeling. *Progress and Poverty's* introductory statement fairly represents his judgment that the world's morality had fallen

short. Accordingly the book would have fallen short, also, if the opening presentation of the social question had not been followed somewhere by social assurance — by something more than a technical answer to the question of poverty. The economic syllogism itself produces a program far more drastic than reformers ordinarily contemplated, and one that would have been more upsetting to the economic order than any reform ever adopted by a modern government at peace. This indicates the purpose served by Book x and the Conclusion of *Progress and Poverty*: the completion of the primary sequence of the book's thought. Hereafter, to distinguish it from the economic syllogism, we shall call this sequence — comprising the opening and the closing sections — *Progress and Poverty's* 'moral sequence.'

Like the economic one, the moral sequence is stated in three parts. The premise at the beginning is social injustice, asserted not as theory but as plain fact. The second premise, withheld until after the economic case for reform has been fully argued, is pure theory, unadulterated democratic idea. 'Association in equality is the law of progress,' is Henry George's irreducible formula in this passage; he phrases the doctrine of equal opportunity for all men as a datum of universal moral law. The antithesis he discovers between social fact and social theory he presents as a tragic contradiction, and very nearly a complete one.

His resolution of the problem indicates why *Progress and Poverty's* moral sequence of thought may not be called a 'moral syllogism' instead. A syllogism leads to a sure conclusion, or synthesis, of the premises. Henry George is not sure that mankind will solve the question of poverty: he says only that we have the power to try

to solve it. No historical necessity compels the fulfillment of the moral law; and this argument makes him entirely different from Marx, and makes *Progress and Poverty* a book opposed to all materialistic and deterministic social ideas. The conclusion, we may anticipate, is a conditional one. *If* men will but turn to God, and seek His help, the moral law *may* be made to rule. On condition of God-given righteousness, and only on that condition, equal economic justice will prevail in industrial society, or anywhere.

In a passage near the end of *Progress and Poverty* the ancient battle of Ormuzd and Ahriman is woven into the fabric, a splendid touch of design.

For the struggle of good with evil, present in all history, was to Henry George the process that reduces economics and religion to common terms.

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Books I and II of *Progress and Poverty*, George's ground-clearing preliminary, develop in strength the criticism of classical economics he had ventured in Berkeley, and had anticipated a little in the *Post*. He regarded this as important enough to give it one-quarter of his text; and in time it caught his reviewers' eyes, especially those on the far side of the Atlantic.

The matter of the two books is much less controversial today. It is a refutation of ideas he himself had once accepted, first, the old wages-fund theory of employment and, second, Malthusian population theory. These two were the main components, of course, of the 'iron law of wages' — the name socialists gave to the hard presumption of classical economics, that wages tend always to be depressed to subsistence level. The 'dismal science' was dismal because its doctrines of employment denied hope to the masses of men.

In his newspaper criticism of the wages fund, George had said that that theory, since it made employment depend on a special reserve of capital accumulation, attributed too much authority to the capitalist. He now developed this thought into a series of counterpropositions. According to *Progress and Poverty*: wages are paid *after* labor has been rendered and value has already been added to the materials being prepared or moved to market, whether or not the product has been sold. Not so much a capitalist's reserves — money in the bank — as current labor, for instance the labor applied in food production, sustains working men while their product is in process. And, ultimately, the *people's needs* are what keep the economy in motion: *'The demand for consumption determines the direction in which labor will be expended in production.'*⁹ This prepares for George's important labor-employs-capital argument in Book v, on distribution.

Stating his criticism of the wages fund was much easier in *Progress and Poverty* than in the *Post*, because during the interval, in 1876, Francis Amasa Walker, already the distinguished director of the census and a professor at Yale, had brought out a first-class monograph on *The Wages Question*. Time has recognized Walker's book as a kind of classic because it gave the crushing blow, at least so far as American academic economics

was concerned, to the wages- fund idea. *Progress and Poverty* credits it as a 'most vital attack,' even though George disliked the residue of Malthusianism contained within its thought. More than he had any way of knowing while he was writing, George was in line with the protest that was rising in both Britain and America, as he thus early condemned the wages-fund idea.

The standing of Thomas Robert Malthus's population doctrine, four score years old in 1879, has always been debatable in America; the broad domain, the uncrowded population, the shortage of labor, the nation's mood of optimism, the doctrine's unfriendliness to democracy all held against it. It is still being debated. Before *Progress and Poverty*, the nationalistic economists of the Carey school, notably Henry C. Carey himself, had been the chief spokesmen for the opposition; and the writing of a member of that school, Professor Francis Bowen of Harvard, came out in powerful criticism at the same time that George's book was published. But this represented minority resistance. The more because classical economics was accepted so universally, American professors, for instance, had no united front of resistance to Malthusian theory; rather the opposite. No one better represents the fear and dread the doctrine could inculcate among those who accepted it than Henry George himself, up to about 1872. His argument in the letter on Chinese immigration, and his correspondence with John Stuart Mill, in 1869 and 1870, will recall that stage of his thought.

Now he wrote at length with the ardency of a man who has changed his mind. George answered Malthus mainly by drawing

on the American treasury of belief in the power of enterprise, know-how, and freedom to provide for the masses. His argument resembles today's national attitude toward the underdeveloped economies of the non-industrial areas of the world, but George was more dogmatic. In his own words: 'There is not a single case in which the vice and misery can be traced to an actual increase in the number of mouths over the power of the accompanying hands to feed them ... Nowhere can want be properly attributed to the pressure of population against the power to procure subsistence in the then existing degree of human knowledge ... everywhere the vice and misery attributed to overpopulation can be traced to the warfare, tyranny, and oppression which prevent knowledge from being utilized, and deny the security essential to production.'¹⁰

In the grand strategy of *Progress and Poverty*, the need to drive Malthus from the temple of accepted ideas amounts to more than just clearing the way for the coming proposal of economic reform. It concerns the sequence of moral thought as well. As in the *Post*, the author envisages in Malthusian ideas a phase of materialism and determinism. To George this seemed the more serious because he sensed (accurately, as Professor Richard Hofstadter's report on *Social Darwinism in America* shows) that people's increasing acceptance of evolution was at the moment fortifying the anti-democratic population doctrine he attacked. In his own warning: 'The support which is given to Malthusian theory by the new philosophy of development, now rapidly spreading in every direction, must be noted in any estimate of the sources from which this theory derives its present strength.'

With the start, then, of having laid a barrage at the Singapore and Gibraltar of classical economics, George entered the third book, a seventy-five-page invasion of the empire of the theory of economic distribution. As the first premise of *Progress and Poverty's* economic syllogism, Book III may fairly be called the crucial passage of analysis in the work, and of the author's life. In all conscience he chose his ground carefully and proceeded with caution.

First a paragraph is in order concerning the method of economic reasoning available to George. In his day statistics had hardly entered general economics. Accordingly there is nothing surprising in the fact that, even in his treatment of rent, and with all the completeness George intended for *Progress and Poverty*, he said nothing quite so empirical as he had said years earlier in the *Post*: that in San Francisco the product of land values equaled about one-sixth of the community's income. 'It is unnecessary to refer to the facts,' he wrote in a passage of the book which concerned the relation of rent taking to poverty, for facts 'would suggest themselves to the reader.'¹¹ On the model of the deductive reasoning common in the treatises he knew, he wrote his own study of how the product of the economy is distributed.

He was able to open the third book's argument at good pace, because he had inserted in Book I his critical definitions of the economic terms that were fundamental to all he had to say. There, in the manner of a textbook writer, he elucidated the three factors in production — land, labor, and

capital — to which he assigned the three elements of distribution — rent, wages, and interest. (Other writers had more than he to say about profits; George said more than many did about interest, but not entirely to the neglect of profits, as we shall see.) In the same place the author rejected with contempt the economists of the chair, especially the American ones, who confused in their writings the distinction, so plain and necessary to him, that prevents land from being classified as capital. Labor, with or without the assistance of capital, combines with land — the term defined to include site and resources, and to exclude improvements — to create wealth, George said once more; and capital is that portion of man-made wealth which is returned to production or exchange with a purpose to procure more wealth. In setting up his primary definitions, the author sieved and examined the ways in which Smith, Ricardo, McCulloch, Mill, Wayland, H. C. Carey, and F. A. Walker used the terms, and he declared himself essentially a follower of Adam Smith.

Coming to the center of the problem of how the current product of the economy is distributed, George stated, more amply and formally than ever before, the image he had held, since the Oakland vision, of economic rent as an entity separate from interest and wages. In *Progress and Poverty* he forces the separation by hypothetical illustrations of labor applied to land without capital. In Book I, against the wages fund, there is a good deal about the self-employing laborer, who operates almost without capital goods, a type found more frequently in America than in England. Even under primitive conditions, George reasoned, as in mining country, wherever benefit of site or natural resource conveys an advantage to one producer above another, that advantage, which is by definition monopolistic, should be understood as rent to owner rather than as wage to workman. ‘Or to put it in algebraic form:

As Produce = Rent + Wages + Interest

Therefore, Produce — Rent = Wages + Interest.’

In the author’s own recapitulation: ‘Wages and interest do not depend upon the produce of labor and capital, but upon what is left after rent is taken out ... And hence, no matter what be the increase in productive power, if the increase in rent keeps pace with it, neither wages nor interest can increase.’¹²

In this passage George exercised an author's prerogative of turning his reader's attention in the direction he wanted it to go. In the bit of algebraic formalizing just reported, he could, had he chosen, have set up an opposition between wages and rent-plus-interest, as a Marxist would have done. This would have changed the equation

$$\text{Produce} - (\text{Rent} + \text{Interest}) = \text{Wages}.$$

The reasons *why* he chose the opposition he did, between rent and wages-plus-interest, and thus pitted workers and investors together against landholders, not workers against landholders and capitalists, he did not explain until the next book, on the 'dynamics,' or the social phenomena which affect distribution. At this point concerned only with 'statics,' or mechanical operations of the flow of wages, rent, and interest, he simply arranged the argument in such a way as to bring to the reader's attention the opposition he would later make the very center of his protest and his program.

Familiarity with the childhood of George's ideas will excuse us from paraphrasing the chapters on 'Rent and the Law of Rent' and 'Wages and the Law of Wages.' Besides saying that those two elements are separate from one another in economic thought, and are separate from interest, George set down, quite concisely, his understanding of their derivation and nature. Quite naturally the new thing about the treatment of rent and wages, in *Progress and Poverty*, is the author's enlarged scholarship, rather than any revision of his main concepts. Now for the first time he developed his own perceptions from the most famous of all sources of rent theory. The law of rent, set forth sixty years ahead of *Progress and Poverty* in David Ricardo's *Principles of Political Economy and Taxation*, has proved the most durable idea of classical economics, able not only to hold its own into Henry George's day but to survive even into ours. Though George did not find Ricardo as quotable as John Stuart Mill, his own phrasing of the law of rent, with the surrounding text, catches the essential doctrine. Quote *Progress and Poverty*: 'The ownership of a natural agent of production will give the power of appropriating so much of the wealth produced by the exertion of labor and capital upon it as exceeds the return which the same application of labor and capital could secure in the least productive occupation in which they freely engage.'¹³

Not the first or last radical to take something of Ricardo's hardheaded businessman's analysis as a base from which to make an un-Ricardian leftward departure, George was just the man to appreciate the law of rent. He, who had a decade earlier perceived economic rent in an almost visionary way, while he contemplated the growth of a new city, now made his own the ideas of the British economist whose findings had been mainly a commentary on Britain's rural landholding. In the words of *Progress and Poverty*, Ricardo's law has the rightness of 'a geometrical axiom,' and 'authority here coincides with common sense.' Ricardo had instructed Mill; and Mill had assisted George, early in his economic education. Now, as George assimilated Ricardo, the linking-up of the nineteenth century's principal rent theorists was well accomplished.

Into the discussion of rent, George introduced the conception of the margin of productivity. Marginalism was a piece of economic sophistication at which he had only hinted earlier, and one a little too technical to have been incorporated effectively in editorials or in platform speaking. Ricardo had reasoned that the differentials of higher and lower rent are set by the differing advantages of pieces of land. But the British economist had conceived a hierarchy of land values governed sometimes by mineral values but usually by the fertility or non-fertility of the soil (the British milords becoming the richer, according to the agricultural productivity of their estates, as demand for foodstuffs increased in the cities). *Progress and Poverty's* conception is broader. It contemplates natural resources as creating different land values, but, true to George's perception, it includes also urban-site values. George's conception of the margin of productivity, moreover, placed a movable floor under his hierarchy of values; or rather, it made an escalator of the steps. As population increases, reasoned the author, later-choice lands are drawn from idleness into use, at the new margin of productivity. This process enhances the value, that is to say the rent, of the more advantageous earlier-choice lands, whether those lands be in the country or in the city.

A later section of the present chapter will be a more convenient place than this is to explain a little how George's use of the idea of the economic margin placed him in the advance guard of English and American economic theory in 1879. Here it is necessary simply to see the strength that

marginalism adds to *Progress and Poverty's* opposition between rent and wages-plus-interest. A crucial passage must now be quoted, from the chapter on rent: 'To say that rent will be the excess in productiveness over the yield at the margin, or lowest point, of cultivation, is the same thing as to say that it will be the excess of produce over what the same amount of labor and capital obtains in the least remunerative occupation.

'The law of rent is, in fact, but a deduction from the law of competition, and amounts simply to the assertion that as wages and interest tend to a common level, all that part of the general production of wealth which exceeds what the labor and capital employed could have secured for themselves, if applied to the poorest natural agent in use, will go to land owners in the shape of rent. It rests in the last analysis upon the fundamental principle, which is to political economy what the attraction of gravitation is to physics — that men will seek to gratify their desires with the least exertion.'¹⁴

The idea of the margin, indeed, becomes the unifying theme which runs through the several chapters on distribution. As regards wages, the writer's only other new important thought is the development of a comparison — a fairly autobiographical one — between wage earners and capitalists, stating first their similarities. Workers such as the superintendents of new ventures earn the highest wages because they like capitalists are risk takers, George put down, and like them deserve their winnings within reason. The wages of ordinary crafts largely affect others, because movement from like job to like job is easy — not different from the flow of credit. All wages are affected by employment at the lowest level. But, in a poignant passage which calls to mind 1865 and 1866 in Henry George's life, the author speaks of the unhappy rigidities of society which make the position of a laborer so different, and so much more painful than a capitalist's. There is no average of well-being, no basic wage rate always available on the job market, comparable to the interest rate. And the author who rejected the components of the iron law of wages nevertheless added that even favorable conditions in the labor market have no capacity to increase labor's total take from production, as compared with rent or interest. He wryly objected 'that both Smith and Ricardo use the term "natural wages" to express the minimum on which labor can live; whereas,

unless injustice is natural, all that the laborer produces should rather be held as his natural wages.’

This line of thought brought George back to the margin of productivity, as he phrased his none too cheerful ‘law of wages.’ ‘Wages’ says *Progress and Poverty* in italics, ‘depend upon the margin of production, or upon the produce which labor can obtain at the highest point of natural productiveness open to it without the payment of rent.’¹⁵ In less formal terms: those workers who go in and out of jobs, and whose last resort is the use of unoccupied land, comprise the group on the margin — the peripheral group in the whole picture of economic distribution. Before the Civil War, Henry George’s predecessors in land-and-labor reform had demanded homestead land free, as an escape from unemployment in the cities. They had believed, mistakenly, the scholarship of today asserts, that the vacant land of the frontier offered a practical solution of their problem. But, in *Progress and Poverty*, George, who had never thought very well of the American West as an escape from trouble, now pictured the very difficulty of going to marginal land as the measure of the general predicament of labor.

The return to capital, which is the remaining one-third of the distributing system, as Henry George examined it, gave him the most trouble to explain. He took three chapters to do so, instead of one, as in the cases of rent and wages. Part of the author’s difficulty was due, to be sure, as the text correctly notes, to the unsolved confusions of the subject. Economics books were full of subdivisions but lacking in agreement about the return to capital of interest and profits, about the overlappings of those two with rent and the wages of superintendence, and about the replacement and increase of capital goods from produce. These were practical problems, though with implications of theory about which nineteenth-century economics was much less concerned than is modern, especially Keynesian, economics.

But over and above the technical difficulties, George’s effort to formulate a ‘law of interest’ was a doubly crucial operation. Though in the wages fund he had rejected a major doctrine about capitalism, he remained always an ex-capitalist and a believer in capitalism; and this required of him, if not a conventional rationalization, then a fresh and independent one

in favor of interest taking. Again, though his historic bouts with Marxists lay in the future, he had already reacted against socialism; and accordingly he had special reason, when speaking about interest, to justify it morally against the socialistic idea that interest is a steal from labor. All this adds up to a necessity for George to be as sharp and definite as possible, in this passage of the book.

George began with another round of rejecting classical doctrine. What Nassau Senior had said, and Mill had adopted for his own, the absurd proposition that ‘the profits of the capitalists are properly the remuneration of abstinence,’ particularly annoyed him. Regarding the characterization as untrue of the capitalists of his own knowledge, and one which in general assigned the capitalist an inappropriately passive role — guarding portfolios instead of doing things — George himself took off in an opposite direction. Referring to the high interest rates of California, he reasoned again as he had against Hittell that the variations of the rate in time and place must respond to factors of risk and productivity. His question narrowed to about this: What is the usefulness, and what are the operating habits, of the investor in the expanding sectors, the Californias of the world?

Suggestively enough another San Franciscan was commenting on the point, at just the time George was writing. Alexander del Mar, who ten years earlier had been director of the United States Bureau of Statistics, whose career had embraced an international education, editorial positions on the national magazines, and insurance-company work investigating and predicting the interest rate, and who at this time was making himself the active leader of Caspar Hopkins’ Pacific Social Science Association, early in 1879 gave a lecture on ‘Usury and the Jews.’ The coincidences are remarkable. Mr. del Mar addressed the same Y.M.H.A. that had invited George’s lecture on ‘Moses’; the date was 11 February 1879, a matter of weeks before the completion of *Progress and Poverty*; and the lecture reviewed the whole history of thought about interest — Biblical ideas, medieval opposition to usury, and the modern acceptance of interest, including also the lecturer’s own theory.

Mr. del Mar came up with a proposition which, though it sounds a little bizarre today, was not out of line with old doctrine, had a special appropriateness in California, and contained a suggestive echo of Old

Testament ideas. He said that the generative powers of nature supply the justification of a basic return of interest to invested capital. Capital accumulation, most particularly when put into food production — the planting of a stand of olive trees say, or the introduction of new strains of livestock — increases and wins a return to the investor by reason of the cycle of life. Del Mar's thought separates this return, though it depends on land and labor, from the flow of rent and wages. It makes the investor a planner and a collaborator with nature.

Progress and Poverty incorporates this idea, not as the whole but as part of its theory of interest. In 1885, when Henry George's fame had soared to international height, Mr. del Mar charged — while denying any other likeness of thought to George — that in *Progress and Poverty* George had 'adopted the author's postulate with reference to the origin of interest, but has nowhere given him credit for it.' The charge is very plausible; the blame for pillaging which it attaches to George is nevertheless conjectural. Is it a plagiarism to pick up a public lecturer's idea, especially if the idea is kin to one's own thinking? And even to ask this question assumes that George attended the lecture or heard about it; and it assumes that February — or the later date at which the lecture was published — was not too late to incorporate a borrowed idea into a text all but ready for the printer. The other possibilities of borrowing are two: the first, that George knew del Mar's ideas from earlier writings in obscure places; and the second, and perhaps more likely, that del Mar's theory of interest had entered the domain of general discussion in San Francisco, perhaps filtering out through the members of the Social Science Association. Neither pure coincidence nor straight-out plagiarism, but some point indeterminable between, seems the nearest possible answer to the question of the relation of Alexander del Mar to the section on interest in *Progress and Poverty*.

At any rate the book's explanation and justification of interest begins on the rural side and speaks of the passage of time during which wines mature and irrigation ditches multiply the productivity of a piece of land. This kind of planning and investment deserves reward, says Henry George. Then, in continuous reasoning and illustration with reference to phenomena almost equally typical of California, capital makes a gain also, *Progress and Poverty* asserts, when it is invested in commerce and manufactures. This

accrues, at bottom, from ‘the utilization of the variations in the powers of nature and of man which is affected by exchange, an increase which somewhat resembles that produced by the vital forces of nature.’ One may guess that George was thinking, as he wrote this, of the *Post’s* wonderful Bullock press — of Philadelphia technology, once applied through him to California, the application arranged by investment capital. The passage concludes with the observation, good for farm, railroad, or factory, that interest ‘is not properly a payment made for the use of capital, but a return accruing from the increase of capital ... It is not an arbitrary but a natural thing; it is not the result of a particular social organization, but of the laws of the universe which underlie society. It is therefore, just.’¹⁶

But not to let capital and capitalism go free, and seem to be justified outside their desirable orbit, by *Progress and Poverty*, George troubled to do an extra chapter, ‘Of spurious capital and of profits often mistaken for interest.’ He would not permit readers of his book any possible chance to misunderstand his saying Yes to interest and capital, as signifying approval of private monopoly or monopoly gains, of whatever kind. Some called those profits interest, but he called them monopoly thieving. *Progress and Poverty* affirms George’s old proposition in the *Post*, though it does not develop it, that the monopolies created by technology, such as railroads and communications, should be transformed into government-owned and operated businesses; and it even ventures to propose that government go in for railroad building.¹⁷ In this line of thinking, George condemned by name contemporaries presently under Kearneyite attack, the Stanfords and Floods, as men who operated beyond the pale of sound policy, and contrary to proper moral and capitalistic usage.

Though the chapters on interest make *Progress and Poverty* an aggressively pro-capitalist book, it is a limited, principled, truly free, and competitive capitalism which he here justifies, and one which acknowledges the primacy of labor. ‘It is not capital which employs labor, but labor which employs capital.’ We may bring alongside a sentence from a near-by portion of the book: ‘Capital is, as is often said, but stored up labor, it is but a form of labor, a subdivision of the general term labor; and its law must subordinate to and independently correlate with, the law of wages so as to fit cases in which the whole produce is divided between labor and capital without any deduction for rent.’ George is not here talking

about utopia but proposing a rationale for the large part of the business economy which seemed to him sound and durable. For the rest he was as ready as with the system of landholding to contemplate far-reaching change, to substitute public for private monopoly.

But this anticipates. To round out distributive theory, he drew up a ‘law of interest’ to stand alongside his laws of rent and wages. ‘To sum up, the law of interest is this: *The relationship between wages and interest is determined by the average power of increase which attaches to capital from its use in reproductive modes. As rent arises, interest will fall as wages fall, or will be determined by the margin of cultivation.*’¹⁸ It will be noticed that this generalization covers both the agriculture side, from which del Mar justified interest, and the commercial and industrial sides, to which George extended the justification.

In drawing Book in to a conclusion, the author undertook confidently the obligation of his logic, to fit into a pattern covering the whole of distribution the three laws — of rent, wages, and interest he had offered. Yet, before we follow him in this piece of mosaic fitting, a final preliminary is still required. To comprehend George on distribution we must bear in mind explicitly what has been implicit in the report above, and what he makes explicit at the end. This: that as he discusses the return to land, labor, and capital, he is talking about the *proportions of the total economic product as they are channeled into total rent, total wages, and total interest*. Absolute amounts (whether money wages or real wages or interest payments) and market rates (whether an annual *per centum* on capital or an hourly sum for a given type of labor) are not the object of the inquiry. That is to say, when George contemplates a rising ‘rent line’ pressing against interest and wages, he does not assume that when land ownership receives more than earlier, wage earners must certainly receive either less money or fewer goods or a lower rate of pay per hour, or that capitalists must lose out on interest. *Progress and Poverty* specifically allows the possibility — not, George might have said, an actuality in California, — that wages and interest can rise absolutely, in a period when rent rises faster than they.¹⁹ George’s fearful conviction was that the operations of our economic institutions even in good days were denying the workers and the investors

equal justice; this to him was a greater anxiety, ultimately more dangerous, than the hazards of rate adjustments.

In his own words, then: ‘The harmony and correlation of the laws of distribution as we have now apprehended them are in striking contrast with the want of harmony which characterizes these laws as presented by the current political economy. Let us state them side by side: ²⁰

The Current Statement	The True Statement
<p>RENT depends on the margin of cultivation, rising as it falls and falling as it rises.</p>	<p>RENT depends on the margin of cultivation, rising as it falls and falling as it rises.</p>
<p>WAGES depend upon the ratio between the number of laborers and the amount of capital devoted to their employment.</p>	<p>WAGES depend on the margin of cultivation, falling as it falls and rising as it rises.</p>
<p>INTEREST depends upon the equation between the supply of and demand for capital; or, as is stated of profits, upon wages (or the cost of labor), rising as wages fall, and falling as wages rise.</p>	<p>INTEREST (its ratio with wages being fixed by the net power of increase which attaches to capital) depends upon the margin of cultivation, falling as it falls and rising as it rises.’</p>

The ‘margin of cultivation,’ the base of George’s whole thought about distribution, is a moving boundary line across the world’s resources, separating the used from the unused. As he had now shown the importance of that boundary he was ready to proceed, in grander style than in any earlier writing, to land economics and land institutions, the favorite fields of his thought.

Book III, which the present chapter envisages as the first premise of an economic syllogism, asserts a natural opposition between rent on one side,

and wages and interest on the other. It assumes, but does not examine the nature of, a relentless war between the two. For making clear the syllogism, the first premise may be stated as follows: Right economic theory sees an eternal tension, not localized in time or place, between rent and the other forms of economic distribution.

Books IV and V, here grouped as stating the second premise, assert that increasing pressure makes that tension ever more acute. That is, they argue that in the industrial economy land ownership naturally and irresistibly takes from non-owners more and more rent (in pace with the retreat of the margin of cultivation to later-choice lands). To establish a perspective of approach to the matter of the two books, we may formulate tentatively in advance the second premise of the economic syllogism: Correct observation and opinion attribute the deprivations of society, and its spasms of unemployment, to the power of one class of ownership to draw unto itself society's mounting surplus in the form of rent.

This new phase of the argument is opened under the signpost, 'The dynamics of the problem yet to seek.' 'I have displayed the special, unearned and automatic nature of economic rent,' observes the author with a glance back at Book III, and 'without farther ado moral sense calls for confiscating it as public revenue.' Yet moral decision he let wait upon a full description, not of the blueprint drawn by lines of theory alone, but also of the fires that drive the mechanism and the result that occurs. 'To say that wages remain low because rent advances is like saying that a steamboat moves because the wheels turn around. The farther question is, What causes rent to advance? What is the force or necessity that, as productive power increases, distributes a greater and greater *proportion* of its produce as rent?'

This is the point at which the twentieth-century reader, accustomed to connect closely the how with the why of social phenomena, notices especially the lack of statistics in *Progress and Poverty*. Surely, the thought is natural as we turn the pages today, the next section will come up with great columns of figures — perhaps taken from something over and beyond the Sacramento *Record's* expose of California landholding — a cold record of the landlords' marching privilege. But instead this is the passage of the book in which George relies perhaps more heavily than anywhere else on the sheer intensity of a decade of reflection and analysis. Here he inserts

Mrs. Browning's eloquence of the children's weeping, and John Stuart Mill's startling doubt that any mechanical inventions had ever yet 'lightened the day's toil of any human being.' In the words of the book, 'the universal fact' was too tragic and too obvious to want elaboration, 'that where the value of land is highest, civilization exhibits the greatest luxury side by side with the most piteous destitution. To see human beings in the most abject, the most helpless and hopeless condition, you must go, not to the unfenced prairies and the log cabins of new clearings in the backwoods, where man single-handed is commencing the struggle against nature, and land is yet worth nothing, but to the great cities where the ownership of a little patch of ground is a fortune.' The margin below the margin of cultivation, in the cities — the memory of New York in 1869!

In the first cycle of presenting this phase of his argument, the author spoke in a quieter tone than he had in the Post. Whereas in the newspaper he had denounced the Millers and Lux's and the Jacks's by name, in the book he spoke of villainy, rather than of personal villains, in land engrossment. Looking across the seas, he took testimony from the sober historians, Henry Hallam and Thorold Rogers, and from the Cambridge economist, Henry Fawcett, M.P., that changes in wage rates had raised the standard of living of British labor little, if at all, since the Middle Ages. He borrowed also those scholars' round estimates of land values and rental incomes multiplied many fold in recent times — a fact about nineteenth-century Britain which will be endorsed presently by important new scholarship. In a few lines, *Progress and Poverty* is more statistical about Britain than about the author's own state or nation.

George does seem justified in presuming that people believed quite generally that rents were rising. A glance stolen forward to the reviews of *Progress and Poverty*, many of them mentioned in the next chapter, would show that this principal assertion was little questioned when all else was challenged. To be sure, critic after critic would deny what George said about wages, or rather would deny what it was easy to mistake him as saying, for it proved more natural and easy to argue that real wages were rising under industrialization than to discuss precisely George's argument that wages and interest were losing proportionately to rent. But there was

hardly a handful of reviewers in the world wide lot who chose to deny that rent was increasing by leaps and bounds.

Meanwhile George named population growth and the cities' concentrations of technology and skill as the dynamics which were forcing up rent, and in his belief would always do so. Of course to the fighter of Malthus these were potentially, and in some degree, actually benevolent forces. As always a good San Franciscan, George put in the book his patriot's vision of cities rising from the bare earth, each city 'the heart, the brain of the vast social organism which has grown up from the first settlement' of each region. For all that George said about the warping and blighting effects of overcrowded cities and underdeveloped countryside, and about how speculation and land withholding twists and unnaturally compresses the processes of land occupation, he had perfect faith in the essentials of city growth. Though he admired the Christian achievements of the Middle Ages, he had nothing in common with the neo-medievalism of Ruskin and Morris, and never wished to escape into a pre-industrial past. For him there was hardly such a thing as diminishing returns from having more and more labor available in a modern city, given an increasing accumulation of technology. Not just ideally, but as a present goal within society's grasp, George envisaged, here with special eloquence, an economy of abundance made possible by the growth of society and science.

This drawing together in economic thought of ideas first stated in the preface, accumulated poverty *versus* accumulated progress, swings the logic of the book very close to making reform proposals. George could, in his own phrase, 'without more ado' have delivered his formulas. But instead the reader is carried forward once more, with the discussion of the city factors that enhance rent to assist him, into Book v's presentation of George's depression-and-poverty analysis. Here the propositions of the lecture, 'Why Work Is Scarce,' are given again, in ample treatment.

As we saw in the last chapter, those propositions, considered by themselves, seem dated and a little crude when compared with the twentieth century's elaborate scholarship on business cycles. But in the book's context, of a vigorous author attacking a subject neglected by earlier economists, this chapter, entitled 'The primary cause of recurring paroxysms of industrial depression,' has great force. The argument is restated that poverty and hard times flow, not from rent as an economic

phenomenon, for that is set forth as inevitable in any society, but from *rent as captured by private landholders*, in a stratified society. With copious California illustration, George once more displays depression as capital and labor wrongfully deprived of economic use; and once more he dismisses current explanations of overproduction and under consumption as so much pretense. The author inserts his old epigram effectively: ‘The supply of labor is everywhere the same — two hands always come into the world with one mouth, twenty-one boys to every twenty girls; and the demand for labor must always exist as long as men want things which labor alone can procure.’ We may notice here, ahead of the report of the reviews, that the depression analysis in *Progress and Poverty* receives more respectful modern comment in several European histories of the theory of the economic cycle than it does in the comparable American history.

In summary, Book IV of *Progress and Poverty* matches Book III’s theory with some examination of actual conditions, and opinion about conditions; and Book V draws condition and theory to common focus. This completes the second premise of the economic syllogism. To repeat the first premise: Rent opposes interest and wages, always and inevitably in the logic of economics. The second premise may now be rephrased, as follows: The actual observable compulsions and sufferings of society confirm theory, and show land monopolization — supplemented by monopoly in other forms to be the bottom cause of the inequities of modern society.

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In a reformer’s mind, when theory and fact of abuse coincide, the need to propose and to act becomes compulsive. But even in Book VI, ‘The Remedy,’ *Progress and Poverty* mounts slowly to its climax. First there is a side tour of observations, calculated to clear vistas for the big proposal. Selecting a vein of thought much like the one which occurred prominently in the United States in the years before the New Deal, when certain intellectuals, journalists among them, bade farewell to reform, the author argued that the crisis of his day demanded deeper change than current reforms even contemplated, much less could be expected to bring into effect. As in the *Post*, he reviewed the going proposals for government economy, for more and better education, for the co-operative movement, for

‘governmental direction and interference’ in economic affairs, and found them all to have their points of strength, yet each and all to fall short of need.

Though conceding that ‘the ideal of socialism is grand and noble; and it is, I am convinced possible of realization,’ he objected that such a state of society cannot be manufactured — ‘it must grow. Society is an organism, not a machine.’ Not unlikely following the thought of his friend Charles Nordhoff, he said that ‘the only force that has ever proved competent for [socialism] — a strong and definite religious faith — is wanting and daily growing less.’ Again, while George was drafting *Progress and Poverty*, an old National Reform Association man, Lewis Masquerier, had renewed in a book the pre-Civil War plea of organized labor for a national policy of inalienable homestead lots, a method of economic security. *Progress and Poverty* refutes this reform also, in George’s old way;²¹ and so it rounds off in style the author’s long but friendly debate with the Sacramento *Bee* and Editor McClatchy.

Commenting on two possibilities for economic amelioration which were before the public in 1879 — the two which between then and now have apparently done more than other efforts of policy to level the distribution of income in America — George achieved no great success as prophet. Reviewing once more the pros and cons of the income tax, he dismissed that reform as too inquisitorial and too discouraging to accumulation, for the United States.²² About trade unions, his judgment conforms better with the future. He acknowledged that great combinations of working men might actually increase wages at the expense of rent. ‘The advance of wages in particular trades by combinations of workmen,’ he wrote, ‘has nowhere shown any effect in lowering wages in other trades or in reducing the rate of profits.’²³

Yet, opposite to Marx, George contended that working men, as they succeed in raising particular wage rates, advance into ever greater difficulties as they reach for higher successes. He thought, truthfully for his own day — and a generalization about American labor that perhaps held up until the New Deal — that the kind of union which can demand and win large wage gains is a small and exclusive union, and that such gains do not extend to unskilled labor; and he argued that only a ‘general combination,’ such as the ‘Internationals’ proposed, could press back the rent line to make

great and general differences in labor's income. But he believed that 'such a combination may be set down as practically impossible, for the difficulties of combination, great enough in the most highly paid and smallest trades, become greater and greater as we descend the industrial scale.' Doubtless thinking of Dennis Kearney, George stated a matter still important in the days of John L. Lewis: 'As even the man who would fight for freedom, must, when he enters an army, give up his personal freedom and become a mere part in a great machine, so must it be with workmen who organize for a strike. These combinations are, therefore, necessarily destructive of the very things which workmen seek to gain through them — wealth and freedom.'²⁴ George hated strikes and he hated bosses, and he wrote in certainty that he had a better plan than unionism for solving labor's most important problem.

After all the preliminaries, the author took only a two-page chapter to present 'The True Remedy' — which is the conclusion of the economic syllogism — and he required only six words for the formula, '*We must make land common property.*'

Wherein lay the compulsion? 'We have traced the unequal distribution of wealth which is the curse and menace of modern civilization to the institution of private property in land ... There is but one way to remove an evil — and that is, to remove its cause ... Every step has been proved and secured ... Deduction and induction have brought us to the same truth ... I [now] propose to show that the laws of the universe do not deny the natural aspirations of the human heart; that the progress of society might be, and, if it is to continue, must be, toward equality, not toward inequality; and that the economic harmonies prove the truth perceived by the Stoic Emperor —

*"We are made for cooperation — like feet, like hands, like eyelids, like the rows of the upper and lower teeth."*²⁵

Now almost ready for his reform proposal, George circled once more. He asserted again everyman's equality with respect to the Creator's work: 'The equal right of all men to the use of land is as clear as their equal right to breathe the air — it is a right proclaimed by the fact of their existence. For we cannot suppose that some men have a right to be in this world, and others no right.' Also *Progress and Poverty* repeats the author's old contempt for the facing-both-ways people of British land reform. John Stuart Mill as land nationalizer is classified, as in the *Post*, along with the

soft anti-slavery reformers in America, among the weak who would compensate owners for a type of property which they had no moral right to hold.

To strengthen this passage of the book, the author now exhibited knowledge, and knowledge of scholarship, concerning primitive peoples, which the editor of the *Post* had not displayed. No admirer he, said George about himself, of the myth of the noble savage. Yet he preferred, to the justice rendered at the seat of the British Empire, the Maori justice of New Zealanders, who would not sell title to certain lands because they would not surrender the rights of children not yet born.

In support of his own standards of morality, he found useful the writings of Sir Henry Maine and Emile Laveleye, and a Cobden Club volume on *Systems of Land Tenure in Various Lands* which was slanted toward the Irish question. From these sources he garnered the propositions that primitive societies hold their lands in common, and that private property in land, like private property in slaves, derives from conquests. As George summed up the history lesson: 'Historically, as ethically, private property in land is robbery. It nowhere springs from contract; it can nowhere be traced to perceptions of justice or expediency; it has everywhere had its birth in war and conquest, and in the selfish use which the cunning have made of superstition and law.'

While twentieth-century criticism would not permit a land reformer today quite such glibness as this, about the origins of tenure, George cannot be called anything worse than glib for having made these generalizations. And, following an opinion he had put in the *Post*, on one point of the contemporary history of land tenure he shows superiority of insight. Contrary to frequent assertion, in his day and since, he said that the South now, after Emancipation and Reconstruction, was actually and tragically not very different from before: the planters' 'ownership of the land upon which the freed- men must live gives them practically as much command of labor as before, while they are relieved of responsibility, sometimes very expensive.' The most recent and realistic scholarship about landholding in the post-Civil War South reverses older interpretations, and agrees in substance with those of Henry George. A new serfdom, growing from land and resource monopolization, sums up George's anxiety for the whole of Western, and particularly British and American, civilization.

No reader should be surprised to be told that when, after 403 pages, *Progress and Poverty* proposes a 'simple yet sovereign remedy' for poverty, the remedy is not the single tax by name, and that it is only in some degree the future single tax in spirit. (The phrase, 'one single tax,' does slip into the book in glancing allusion to the physiocrats of France.) *Progress and Poverty* recommends a tax policy as the best means to a social end; but it is less of a tax-reform book than the *Post* was a tax-reform paper. Addressing a world audience, the author naturally gave ends not means the greater emphasis, and came circuitously toward confiscatory taxation.

At the crucial point of telling readers how a revolution in property holding could be brought off by a people's representative government, George called first for land nationalization. 'We should satisfy the law of justice, we should meet all economic requirements, by at one stroke abolishing all private titles, declaring all land public property, and letting it out to the highest bidders in lots to suit, under such conditions as would sacredly guard the private rights to improvement.' Doubtless the author was thinking of the nationalization movement in England when he mentioned this possible policy; at any rate to assure readers that he was guilty of no vagary he called on Herbert Spencer, the popular philosopher then, for support.

Because of the events of a dozen years following, especially because of George's book against Spencer in 1892, there is no other passage in *Progress and Poverty* so crammed with the human comedy as the sober quotation from *Social Statics*. Though it is not often noticed about him, Herbert Spencer in 1850 had declared for owner-compensated land nationalization in the little book which had since become famous. Now, not knowing that he had caught his authority napping, or that he would bite if disturbed, George quoted in accurate fullness as follows: 'Instead of being in the possession of individuals, the country would be held by the great corporate body — society ... Instead of paying his rent to the agent of Sir John or His Grace, [the farmer] would pay it to an agent or deputy agent of the community. Stewards would be public officials instead of private ones, and tenancy the only land tenure. A state of things so ordered would be in perfect harmony with the moral law.' George reluctantly admitted that Spencer wanted the landowners paid, whenever the state might take over, but he predicted that the English philosopher would presumably not stick to

this, as it was ‘undoubtedly a careless conclusion which he upon reflection would reconsider.’²⁶ A prophecy could hardly have been more mistaken.

Only after offering the alternative of land nationalization, and doing so as a kind of hedge against any possible charge of idiosyncrasy, does George renew from the Post and the lectures his own preferred solution: ‘*It is not necessary to confiscate land; it is only necessary to confiscate rent ... We already take some rent in taxation. We have only to make some changes in our mode of taxation to take it all.*’ The book does not quite say that *all* rent, or nearly all rent, ought to be taken, though it presents that choice, the position which became George’s own in the later controversy; it does say that ‘*all taxation save that on land values*’ should be abolished.²⁷

No doubt existed in the author’s mind that all or most of the annual value of a community’s land would provide handsomely for public needs, even though all other revenues were abolished. To the author of the scheme, such a reallocation of funds, and added to that the shift of balance in society which the reallocation would bring about, would suffice to achieve the goals of socialism without the growing pains. The appropriation of rent would ‘raise wages, increase the earnings of capital, extirpate pauperism, abolish poverty, give remunerative employment to whoever wishes it, afford free scope to human powers, lessen crime, elevate morals, and taste, and intelligence, purify government, and carry civilization to yet nobler heights.’

Though many were to disagree with George’s proposal, his contemporaries were not to say that its enactment would fail to provide lavishly for any government’s expenditures. The probability of the present day, that the cost of twentieth-century wars and social services exceeds the amount of economic rent which arises in the economy, measures one of the great differences between Henry George’s time and our own.

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Rapidly, once the economic syllogism — of theory, abuse, and reform — had been rounded, *Progress and Poverty* turned the corner into ways and means, and the transit to utopia was short. This leads to George’s inquiry, appropriate for all seekers and questers to pursue: What are the laws of civilization? To what goals may humanity reasonably aspire? That is to say, *Progress and Poverty*’s economic syllogism reaches to join the moral

sequence; and the two connect in the affinity without which neither one would have much life.

Naturally George had to draw on imagination, not British scholarship, to round out from the ideas of the *Post* his design for freedom. Now strengthened by Book III's analysis of distribution, he said that taxation which took all rent would eliminate speculative pressure on land and would permit the rent line to drop somewhat; this in turn would increase the earnings of labor and of capital. But the main thing in this passage was to illustrate the many, many gains the people could expect. In one shining paragraph a new community splendor is suggested: not common dining rooms, according to the family man who was writing, but libraries, universities, and parks and other civic improvements beyond anything conceivable in the present order — the city as *pueblo* imagined once more. As we read we visualize economic rent flowing past and beyond the reach of the mansion dwellers on Nob Hill and oil Fifth Avenue, and being channeled at last into reservoirs of public capital for public investment, or being distributed in community consumption. Democracy's possible beautiful city — avenues of cottages, with ample space and trees, with books in the libraries and service in the hospitals, and light and heat for all — has nowhere in American literature gleamed more brightly than in Henry George's package of promises of what a transformation of property rights could make possible.

Does it make sense, *Progress and Poverty* now asks, a utopia trying to be practical, a republic of democracy and economic justice some time soon? Not perfect love but justice among men George chose as his goal. Could a fair balance between economic collectivity and security, and individualism, be enacted? Such are the inquiries that underlie the book's last roundup of the informed opinion of the age.

The key ideas here are the two broadest conceptions of common parlance in nineteenth-century social thought, the twin concepts of progress and civilization. In *Progress and Poverty* they are connected with a third, possibly following Tocqueville, the concept of association. In George's rendering, civilization is the sum, progress is the process, and association the method of social improvement. The terms are used to draw together all manner of human achievements: social and individual ones, material and intellectual, practical and aesthetic. 'All these improvements, therefore, in

man's powers and condition, we summarize in the term civilization. Men improve as they become civilized, or learn to cooperate in society.' George's definitions win the highest praise from the distinguished scholars — otherwise no admirers of his — who are the principal historians of the idea of civilization in the United States. Charles and Mary Beard find in George's writings a weaving together of economic with non economic matters that for comprehensiveness surpasses the work of all other American economists.

Once more *Progress and Poverty* moves carefully, and keeps a little apart from English thought, and especially from moral tones of social Darwinism. The book goes a certain distance again, indeed, with the age's most prominent social thinker, then qualifies as follows: 'That civilization is an evolution — that it is in the language of Herbert Spencer, a progress from indefinite, incoherent homogeneity to a definite, coherent, heterogeneity — there is no doubt; but to say this is not to explain or identify the causes which forward or retard it.' In complete moral dissent from dominant British and German habits of thought, George entered the opinion that the age's inclination to justify overseas expansion, as though the name of evolution and the science of Darwin made right the exploiting of weak peoples, had encouraged a hateful racism and nationalism. The 'sort of hopeful fatalism' assumed by imperialists he condemned as ethically wrong and intellectually dishonest. He condemned also the indifference to human suffering, and the complacency about science and technology, which he discovered in Winwood Reade's *Martyrdom of Man*, one of the most popular writings of the time.

True progress, *Progress and Poverty* asserts, is neither automatic nor exclusive. Remarking a phenomenon of history greatly developed by Arnold Toynbee of the present day, George observed that many of the world's civilizations are interrupted ones, like those of India and China, which have gone so far but then stand still, uncreative, oppressive, and decadent. In this passage retrogression or standstill becomes altogether as sober a thought and quite as tragic as in the more famous pessimism of Henry George's younger contemporaries, Henry and Brooks Adams. But George did not let the mood persist; and, again like Toynbee, he believed that a leap forward in civilization is possible, sufficient even to encompass the hazards of the modern world.

To justify confidence, George resorted to his heritage of democratic and Christian faith. 'Association in equality is the law of progress,' and in this axiom the author found sufficient interpretation to explain the failure of some civilizations, and the power of others to advance. In later Egypt, he reasoned, human 'mind' or power of creativity had been too tightly contained in the social hierarchy; and in a broad way he found that wars and the conflicts and frustrations of social classes explain the case when progress stops. On the other hand, he said in affirmation of faith, the occurrence of freedom and equality explains sufficiently the historic occasions of moral progress; and keeping these conditions fresh and productive is the obligation of modern man. In this frame *Progress and Poverty* makes a final restatement of the necessity to make land common property. That step alone would ensure association in equality to future generations.

The eloquent Book x, 'The Law of Human Progress,' from which some of the ultimates of George's thought have just been drawn, brings to a logical conclusion the moral sequence. The Introduction had stated, in advance of demonstration, that material progress in present society creates poverty; and Book x now added that the longer history of man shows that a better outcome is possible.

Near the end, Book x affirms also that God's law rightfully belongs in human affairs. Through the book, the ancient concept of unwritten, immutable law — embedded everywhere in American thought, up to and including George's day — appears variously as economic law, moral law, the law of nature, and the law of God. In the final fusing of Book x, Henry George reaffirmed the faith which he had proclaimed in Berkeley, and doubtless many times less formally, that there is to be realized in man's affairs a uniformity, 'a law,' which connects even the operations of political economy with Christ's teachings by Galilee. 'Political economy and social science cannot teach any lessons that are not embraced in the simple truths that were taught to poor fishermen and Jewish peasants by One who eighteen hundred years ago was crucified — the simple truths which beneath the warpings of selfishness and the distortions of superstition, seem to underlie every religion that has ever striven to formulate the spiritual yearnings of man.'

The closing lines of the book, as George took it for printing to his friend, Hinton, reached a similar climax.²⁸ Some years later George wrote his father about completing the manuscript, in the dead of a March night. The letter says that faith flooded him then. As he put down his pen, he dropped to his knees, weeping. He had done all he could: 'the rest lay in the Master's hands.'

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How good a book had Henry George written? Because the present biography could be described as a historical review of *Progress and Poverty*, and because Part Two will discuss the reception of George's ideas in a way I believe proportionate to Part One's discussion of origin and development, I feel no need to follow the delineation just completed with a clause of simple praise or dis-praise. But there are certain aspects of the work which, though the reviews missed them, seem important; and certain omissions from the book, which, being omissions, could not affect his contemporaries in a positive way, yet invite designation in the vein of might- have-been.

I have nothing left over to add to what I have already said about the evolution of George's economic ideas between his little first book and his big second one. But from the change of his reform ideas there are consequences to be noted. In *Our Land and Land Policy* he had regarded as roughly equivalent the old land reform and his new one: either a full application of the homestead policy, or land-value taxation, or the two combined, comprised his recommendation for democracy in 1871. In 1879 George's full and final shift to the logically more perfect system — or systems, if we regard the choice between land-value taxation and land nationalization as equivalent — had an implication which renders *Progress and Poverty* less a political tract, at least for the United States, and more exclusively a piece of social criticism and universal prophecy, than it might otherwise have been, or needs to have been.

In *Progress and Poverty* the main line of reasoning, to justify the strategy of land-value taxation, is the proposition (in Book VIII, 'The Application of the Remedy') that 'great changes can best be brought about by old forms.' This is a general idea not to be taken for granted. And in this case 'old forms' mean that Henry George was proposing that local

government undertake the burden of a social and economic transformation in America. For in habit, though not in any constitutional limitation, land taxation in the United States is local taxation. To be sure, George the California Jeffersonian, believer in decentralized government, had inserted earlier in the book certain memories and opinions, brought forward from his journalism of the '60s, about how miners in the Sierras had devised on their own a system of tenure wiser, by the writer's standards, than freehold tenure; and he drew also on San Francisco's lost opportunity, which need not have been lost, to become a community-owned city. Such knowledge of what communities could do, put together with a powerful belief in Adam Smith's canons of taxation, which were of course pointed toward land taxation, gives more strength than a twentieth-century mind readily grasps to *Progress and Poverty's* thought that a revolution in property rights might be brought about by America's acting purposefully through the mechanisms of local government.

Yet the difficulties of such a thought confuse even George's text. The paradox, not to say contradiction, of passages on adjoining pages in Book IX, 'The Effects of the Remedy,' will illustrate. Here *Progress and Poverty* says, first, that under land-value taxation, 'Society would thus approach the ideal of Jeffersonian democracy, the promised land of Herbert Spencer, *the abolition of government.*' Then, after explaining a bit, appears the equally strong hope that, 'Government would change its character, and would become the administration of a great cooperative society. It would become *merely the agency by which the common property was administered for the common benefit.*'²⁹

'Does this seem practical?' George asks. The present writer thinks that, where practicality rather than theory is the question, by comparison with *Our Land and Land Policy*, *Progress and Poverty* comes off second-best. Had the author retained in *Progress and Poverty* his inclination of eight years earlier to classify land according to availability and location and economic potential, and had he admitted the rough-hewn rightness of the 160-acre — or 80-acre — homestead as democratic policy for the well-watered farming regions, George would likely have avoided some of the indifference and opposition of farmers, which were so much more frequent than displays of sympathy, during his later years. Again, had he permitted

his driving mind to range freely once more into land classification, he might have named certain residues of domain land for which a developmental policy of nationalization — the lands were already federal property — would have been best. America's conservationists would very soon be making such classifications — the famous Donaldson report was already in the works — and Henry George might have led the way.

In sum, had *Progress and Poverty* produced multiform applications of 'the remedy' in Book VIII, instead of making such a complete commitment to land-value taxation, one can imagine the later George supplying ideological support for the practical but none- too-philosophical-minded Roosevelts and Pinchots of the actual conservationist movement. And plainly, if *Progress and Poverty* had proposed such compromises, or rather such variant applications of the same reform, there would have remained room enough for attempts at land-value taxation: all the cities, and any rural areas so inclined, would have been as available as ever, to tax reform by the state legislatures. Altogether *Progress and Poverty's* willful concentration on land-value taxation displays an astonishing blind-spot toward American conditions George knew well — a blindspot toward domain policy, and toward the federal-and-state-and-local distribution of tax power and practice.

While my estimate is that the political science of the book invites pragmatic criticism, I venture also that its economics was stronger, and more up-to-the-minute, than economists frequently admit. Apart from the critical handling of the wages-fund and Malthusian theories, and the extension of Ricardo's law, judgment on this point turns on George's use of the concept of the margin — 'the margin of cultivation,' on which he hinged his general ideas of distribution.

The history of the marginal idea has not been written. As has been indicated, Ricardo has gradations of fertility as the influence controlling rent, in the chapter Henry George studied; but this is the idea without the word 'margin.' Not unlikely George took the phrase 'margin of cultivation' — he also spoke of a 'margin of productivity,' and at least once of the 'margin of building' on the edge of a city — from Henry Fawcett's text; but this is uncertain, for the same phrase appears in John Stuart Mill, who attributes it to Dr. Thomas Chalmers, the Scottish theologian. We can rule out as unavailable to George the French and German scholars who seem to

have been the earliest to wield the idea; and there is no sign that George had even heard of William Jevons' fundamental and mathematically reasoned-out work in marginal economics, *Theory of Political Economy*, which was published in England in 1871.

This accumulating background considered together with the well-known development of marginal conceptions during the decade or so after *Progress and Poverty*, makes the more important George's decisive use of the word and idea, in 1879. Moreover John Bates Clark, who two decades later at Columbia became the leader of the neo-classical group of economists in the country, himself acknowledged that George's point 'that wages are fixed by the product which a man can create by tilling rentless land' caught his eye, and suggested to him that he 'seek a method by which the product of labor everywhere may be disentangled from the product of cooperating agents, and separately identified.' For the reasons that academic economists have mostly opposed or disregarded George (Clark opposed him in a debate at Saratoga, 1890), and that George made no effort to develop further the line of theory he used so early and so strikingly, Clark's acknowledgment of debt to *Progress and Poverty* is the more suggestive. For the moment at least, George took a front position in America in the rough-hewing, non-mathematical stage of applying the marginal type of economic analysis.

In the history of American academic ideas, the next-door neighbor, or rather twin, of the marginal concept in economics is the frontier interpretation of American history. Like Ricardo's law of rent, Frederick Jackson Turner's frontier idea, first stated in 1893, survives criticism and lives on from one generation to the next, though at present in reduced circumstances. Here again, *Progress and Poverty* anticipated a master idea in social science. Though the book as a whole argues against much reliance on frontier settlement as an economic safety valve for America's underprivileged, it contains eloquent passages on the influence of the West on American life and character, passages which, like those in earlier *Post* editorials, were very Turnerian before Turner. For example: 'The general intelligence, the general comfort, the active invention, the power of adaptation and assimilation, the free, independent spirit, the energy and hopefulness that have marked our people are not causes, but results — they have sprung from unfenced land. This public domain ... has given a

consciousness of freedom even to the dweller in crowded cities, and has been a well-spring of hope even to those who have never thought of taking refuge upon it ... In America, whatever [a man's] condition, there has always been the consciousness that the public domain lay behind him; and the knowledge of this fact, acting and reacting, has penetrated our whole national life, giving to it generosity and independence, elasticity and ambition.³⁰ In the judgment of F. L. Paxson, one of Turner's most distinguished disciples, 'the "hither edge of free land" became the magic element in the Turner hypothesis'; and, as all know who read history, that hypothesis in a degree governed America's understanding of America for a long generation.

Discovering predecessors of Turner, and tracing the lineage of his ideas, has become a too frequently repeated operation to render very interesting the observation that George preceded him. So did many others. But a recent scholarly finding, that the Italian land economist, Achille Loria, segments of whose thinking much resemble George's, largely contributed to the Turner hypothesis, sharpened in the present writer's mind the natural question: Could Turner have distilled a historical theory out of the air of commonly held ideas and not owe a debt, heretofore not noticed, to the most popular and exciting book on economic life and policy, published during the period of the distilling? Other indications to the contrary, Professor Turner's biographer, Dr. Fulmer Mood of the University of Texas, finds he probably did owe something to George. Dr. Mood generously shares the discovery, made from Turner's own copy of *Progress and Poverty*, that the young historian read and marked the book in 1888-9 while a graduate student at Johns Hopkins; and Turner took part in a seminar discussion of the book that year. For Henry George in 1879, this later evidence means simply that his mind had seized and incorporated one of the great insights into the national character and history, and this, with the marginal idea, adds power and authority to the book.

Having ventured criticism of certain points of the political science and the economics of *Progress and Poverty*, the writer may review briefly one or two other things. Somewhat akin to George's blindspot, in 1879, with respect to the special character of American government, there is a conspicuous absence, still, of the claim he might have made that certain of

the fathers of the American Republic could reasonably be counted on his side. Despite his fondness for saying that he sought only to fulfill the Declaration of Independence, he seems not yet to have discovered Jefferson's now famous phrase, graven large on the walls of the Library of Congress and of the Jefferson Memorial, that the land belongs in usufruct to the living; and still less to have known that Thomas Jefferson contemplated using the power of the state to reallocate land privately held to the landless, if necessary. 'If for the encouragement of industry we allow [the land] to be appropriated,' wrote the author of the great Declaration, 'we must take care that other employment be provided for those excluded from the appropriation. If we do not, the fundamental right to labour the earth returns to the unemployed.' Other reinforcements for his idea, which George might have borrowed from Thomas Paine's *Agrarian Justice*, or from Ralph Waldo Emerson — 'Whilst another man has no land my title to mine, and your title to yours, is vitiated' — the author of *Progress and Poverty* evidently did not know to be available to him.

Again related to the shortcomings of *Progress and Poverty* as a political tract, George failed to notice the awkwardness of saying that the land belongs to all the Creator's children, without also recognizing that this argues for the *internationalization* rather than the *nationalization* of land, and without observing that land-value taxation in, say San Francisco, if imposed by city or state government, would appropriate values created by all the peoples of the Pacific, not to say of Europe and the United States east of the Sierras. The economic advantage of great cities derives from the whole area of their trade. To be sure George's dedication to free trade relieves him a little at this point. But the point is more than a quibble; and the author who explored so many lines of ethical logic ought to have noticed that only a world organization with power to tax, or at least to distribute the proceeds of land-value taxation, would fit well his ideal scheme.

Yet the present writer believes that these practical or detailed shortcomings, as they are omissions rendered visible by the moral standards of *Progress and Poverty* itself, have one effect of displaying the ethical magnitude and elevation of the work as a whole. If the book is a devastating attack on land monopoly, as intended, it is also a moral Mount Whitney in

American protest. It is a signal, good for any place and any time where freedom and equality have meaning, against monopolism in any form, unless that monopolism be truly necessary in economics and truly public in administration. Still more than this, *Progress and Poverty's* fusion of economics and ethics, its passionate blend of love of God with comprehension of the entrenchment of selfishness, give it — despite the long and winding Victorian argument — an intensity which places it at once high in letters, and yet at the threshold of the common man.

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While the manuscript was at Hinton's print shop — and the writer himself was setting some of the type — George became discontented to end *Progress and Poverty* as he had brought it in, with a final appeal to Christian ethics. The death of his Aunt Ann, in Philadelphia, had turned his mind again to immortality, though that alone could hardly have impelled him to make an addition to the book. At white heat, to Book x he now added the Conclusion, 'The Problem of Individual Life,' his justly famous statement. More definitely than any part of the moral sequence which precedes it, this section attaches *Progress and Poverty* to a religious metaphysic, to a deeper intimation of philosophical idealism than appears in any of his other books. Henry George knew about Socrates, and it is entirely possible that this concluding impulse to attach the idea of immortality to the book's plea for justice was in some degree an imitation.

Only his own words, which are richly autobiographical, will do to convey the thought. 'My task is done ... Yet the thought still mounts ... Behind the problems of social life lies the problem of individual life ... Out of this inquiry has come to me something I did not think to find, and a faith that was dead revives.

'The yearning for a further life is natural and deep. It grows with intellectual growth, and perhaps none really feel it more than those who have begun to see how great is the universe and how infinite are the vistas which every advance in knowledge opens before us — vistas which would require nothing short of eternity to explore ...

'When we see that social development is governed neither by a Special Providence nor by a merciless fate, but by law, at once unchangeable and beneficent; when we see that human will is the great factor, and that taking

men in the aggregate, their condition is as they make it; when we see that economic law and moral law are essentially one, and that the truth which the intellect grasps by toilsome effort is but that which the moral sense reaches by quick intuition, a flood of light breaks in upon the problem of individual life. These countless millions like ourselves ... do not seem so much like meaningless waste.

‘What then, is the meaning of life — of life absolutely and inevitably bounded by death? To me it seems intelligible only as an avenue and vestibule to another life. And its facts seem explainable only upon a theory which cannot be expressed but in myth and symbol, and which, everywhere and at all times, the myths and symbols in which men have tried to portray their deepest perceptions do in some form express.’³¹

Two pages later there is the superb selection from Plutarch with which *Progress and Poverty* closes. Dr. Taylor may have helped George find it, but this is a kind of passage he himself might well have discovered: ‘*Men’s souls, encompassed here with bodies and passions, have no communication with God, except what they can reach to in conception only, as by a kind of obscure dream. But when they are loosed from the body, and removed into the unseen, invisible, impassable, and pure region, this God is then their leader and king; they there, as it were, hanging on him wholly, and beholding without weariness and passionately affecting that beauty which cannot be expressed or uttered by men.*’

Pleading immortality Henry George was neither instructing his readers in an article of faith, nor was he speaking — as certain critics would say — in a way not related to the text preceding. He was asserting an idealism bigger than that of most reformers. He was saying in the most intense language he knew that this is God’s world and we are His children, and that those who believe, with passion and without fear, have a resource to overcome even the resources of selfishness and evil.

On that assumption Henry George made his appeal. Within two decades incredible numbers of Irishmen and Scots, Englishmen and Americans, and representatives of every civilization would understand him, and would respond.