Henry George's Thought in Relation to Modern Economics

By TERENCE M. DWYER*

ABSTRACT. *Henry George's* influence on economic thought has been neglected although his readers included *Clark, Marshall, Hobson, Commons, Lerner* and *Böhm-Bawerk* and his ideas provoked thought and discussion. Clark made clear that George stimulated him to develop his *marginal productivity theory*. But the 19th century American theorist affected or touched upon the *neoclassical concept of capital*; the theory of *externality*, the *neoclassical* versus the *classical concept of monopoly*; the *entitlements* approach to *distributive justice;* the *burden of debt and other transfer incomes and capital formation* and the theory of *expectations*. George's influence is wider than generally recognized. The last of the *classical economists,* he wrote in high Victorian prose about some very modern problems.

HENRY GEORGE IS AN INTRIGUING FIGURE in the history of economic thought because his influence has been neglected: yet his readers included, *inter alios*, John Bateos Clark,[1] Alfred Marshall,[2] John A. Hobson,[3] John R. Commons[4] Abba P. Lerner[5] and Eugen von Böhm-Bawerk.[6] Whether or not writers agreed with George, his writings provoked considerable discussion. In this paper, I shall briefly discuss George's ideas in relation to the following areas of modern economics: 1) the neoclassical concept of capital; 2) externality; 3) neoclassical versus classical concepts of monopoly; 4) the entitlements approach to distributive justice; 5) the burden of debt and capital formation; and 6) expectations.

I

The Neoclassical Concept of Capital

ALTHOUGH IT IS GENERALLY REALIZED that J. B. Clark, on his own admission, was stimulated by Henry George's wage theory to develop the marginal

*[Terence M. Dwyer, Ph.D., is an economist, Commonwealth Treasury, Canberra, Australia.] This paper was presented at a joint session held to commemorate the centenary of the publication of Henry George's classic, *Progress and Poverty*, by the American Economic Association and the History of Political Economy Society in Atlanta, Ga., December 30, 1979. The session was arranged and chaired by Dr. Mason Gaffney, professor and chairman of the department of economics, University of California, Riverside, and concluded the association's three-day annual meeting.

American Journal of Economics and Sociology, Vol. 41, No. 4, (October, 1982).
0002-9246/82/040363-11$00.75/0

productivity theory,[7] it is not so widely realized that the J. B. Clark's concept of "jelly" capital seems to have to have been a response to George's attack on private property in land. At the Saratoga *Single Tax Discussion* of 1890 Clark presented a paper significantly titled *The Moral Basis of Property in Land.* In this paper, what Clark essentially does is to present again the ethical argument that a buyer who puts the savings from his wages into land should not be despoiled of his investment by land value taxation.[8] Clark seeks, however, to cast this argument in a value-free scientific form: modern society involves exchanges for value, therefore the right of a producer to his product is a right to "the value he has created" which, for clearness, Clark calls "his pure capital" as opposed to the things which embody this value, his "concrete capital" (which includes land).[9]

Clark then explains the nature of pure capital: "It is the nature of the fund in the possession of a particular user to perpetually change its outward forms. It may be said to live by transmigration. . . . It is of course the contents of capital goods—the value in them—that is important to their possessor. . . ."[10] Clark goes on to argue that equalization of returns will encourage capital to "vest itself in land" by raising its price when a higher use for a plot of land can be discovered: "This potential product of land becomes the basis of its price; and it is the effect of the easy migration of pure capital from form to form to realize it as an actual product. . . ."[11]

That Clark's concept of pure capital as a "fund of value" in contrast to concrete objects was evolved, in part at least, to answer Henry George is attested to by Frank A. Fetter[12] who, like Clark, Ely[13] and others advanced the same idea of capital.

Today, Clark's capital concept appears to have triumphed—witness the ubiquitous production function $Y = F(K,L)$. But it is worth recalling the hostile reaction of some of Clark's contemporaries: Carver, Böhm-Bawerk, Taussig and Marshall all objected to Clark's semantic sleight of hand in classing land as capital. (They might have added that bad metaphysics and bad law are unlikely to produce good economics). Marshall objected that "from the economic and from the ethical point of view, land must everywhere and always be classed as a thing by itself";[14] capital earned quasi-rents, but only land earned a true long-run surplus;[15] land was given by Nature once for all and showed no supply responses, unlike capital.[16]

Taussig also objected to Clark's treating land and capital "as if their conditions of supply were the same"[17] and Böhm-Bawerk singled out Clark's misuse of metaphor[18] suggesting that "J.B. Clark's concept of 'true capital' leads to aberrations far more subtle and deceptive and for that very reason far more dangerous."[19] However, the most caustic comment on Clark's attempt to treat land as pure capital was that of Carver:

"Now land capital cannot possibly mean anything else than land *value* . . . . But to argue that though land surface may not be increased land value may, is to beg the whole question. One might as well say that during the supposed coal famine of the winter of 1902-1903, it was not coal in the economic sense, but only in the material sense which was scarce; that though there were few coal-tons there was as much coal-value; and that therefore there was as much coal, in the economic sense, as ever: but that would be a travesty on the science of economics."[20]

Looking back after the recent Cambridge controversies, one is perhaps inclined towards a greater respect for those like Böhm-Bawerk and Carver who were distrustful of the mystical subtleties of "pure capital."

II

Externality

EXTERNALITY WAS DISCOVERED by neither Pigou nor Marshall. Adam Smith had remarked on how rent would reflect the actions of neighbors and how the growth of town and country would be mutually interdependent.[21] J. B. Say foreshadowed the property rights solution to the externality problem when he argued that the appropriation of land and the charging of rent by the landlord corrected the congestion externalities which bedevilled unenclosed agriculture practised on the commons.[22]

Surprisingly, however, George was the classical economist who gave most attention to externality. George conceded that common use of land was inefficient due to congestion externalities, hence he proposed his single tax as a method of making land common property without disturbing efficient resource allocation.[23] George, contrary to what is sometimes believed, did not wish to abolish economic rent but to collect it for the public benefit. So far from thinking that economic rent could be abolished, George saw it as the natural method whereby increasing returns to spatial concentration of people and markets were balanced off against decreasing returns from congestion due to the same cause—the existence of rent would see that an optimum was reached.[24] George also pointed out that air, water and sunlight were not necessarily free goods but even under existing law were to a real extent comprehended under existing land titles.[25]

Perhaps the most surprising aspect to the modern reader of George's treatment of externality is his acceptance of it as largely natural and desirable:

"No one can keep to himself the good he may do, any more than he can keep the bad. Every productive enterprise, besides its return to those who undertake it, yields collateral advantages to others. If a man plants a fruit tree, his gain is that he gathers the fruit in its time and season. But in addition to his gain, there is a gain to the whole community. Others than the owner are benefited by the increased supply of fruit; the birds which it shelters fly far and wide; the rain which it helps to attract falls not alone on his field; and even to the eye which rests upon it from a distance, it brings a sense of beauty. And so with everything else. The building of a house, a factory, a ship, or a railroad, benefits others besides those who get the direct profits. Nature laughs at a miser . . .

"Well may the community leave to the individual producer all that prompts him to exertion; well may it let the laborer have the full reward of his labor, and the capitalist the full return of his capital. For the more that labor and capital produce, the greater grows the common wealth in which all may share. And in the value or rent of land is this general gain expressed in a definite and concrete form."[26]

George's prescription for externality is surprisingly modern: rent reflects net externalities, so establishing private tenure but at the same time collecting the competitively determined economic rent for the public benefit will establish an optimal level of externality.[27] In his perception of external economies as connected with location, George was ahead of Ricardo and J. S. Mill who take location as exogenous. George argued that, exogenous as location and externality were to the individual producer, to society as a whole they were endogenous and location rents reflected community-created external benefits.

It is interesting to note that Marshall, when he introduces external economies, seems to follow George in (a) immediately linking them to location rents; (b) describing them as the "public value" of land, and (c) arguing this "public value" could be recouped by society without excess burden via rent taxation.[28]

In sum, it seems that Henry George's contribution to the concept of externality is significant; in a way this should not be surprising since one who looked back to the feudal tenures had to think about the congestion inefficiencies of the commons. It is clear that George did contemplate the problem and saw his single tax as a solution to the inefficiencies of the feudal commons without surrendering the public equity.

III

Neoclassical versus Classical Concepts of Monopoly

HENRY GEORGE MAY PROPERLY BE CONSIDERED as the last of the classical economists. It is therefore not surprising that, like Adam Smith and John Stuart Mill, he has been severely criticized for talking about land being "monopolized" even when landowners do not act in conscious collusion.[29] We are thus treated to patronizing remarks such as Schumpeter's: "J. S. Mill even wrote of a 'monopolized' thing among the holders of which there is 'competition'"[30] or Stigler's "Marshall used the theory of competitive markets, which George did not understand, to refute George's charge of a monopoly in land."[31]

However, the commentators seem to have failed to understand that the essence of the classical concept of monopoly is to be found not in downward-sloping demand curves nor even in voluntary collusion but rather in the concept of barrier to entry. The classical view is that barriers to entry can be created by statutory action, by coercive collusion or, in the case of non-reproducible natural resources, by their engrossment on the first-come first-served basis, which denies to future generations access to these productive resources on the same terms as the first generation. What Smith, J. S. Mill, and George clearly meant when they spoke of land rent as a monopoly return was that land owned by one person cannot be reproduced by his competitors at its (zero) original real cost of production.[32]

The classical approach to monopoly is similar to the conclusions of a recent critic of neoclassical competition theory:

> In order, then, for us to speak freely of a lack of competitiveness in a market process, we must be able to point to something which *prevents* market participants from competing. What is it that might succeed in rendering particular market participants secure from being competed with . . . ? [The answer is that] in the absence of government restrictions on given activities the only possible source of blockage to entry into a particular activity must arise from restricted access to the resources needed for that activity . . . . What the monopolist is able to secure for himself . . . is a *monopoly rent* on the uniquely owned resource from which he derives his monopoly position.[33]

From this point of view the neoclassical approach to monopoly in terms of collusion is seen to be simply beside the point: George and Marshall were talking about different things. What George was essentially arguing was that the only way natural resources could be made available to all generations of producers on terms which provided for equal access by all was for the State not to sell the fee simple title once for all but to rent out land at a readjustable rental determined by competion. Rent was the result of a natural monopoly but to let individuals appropriate it was to favor some producers against others:[34] only the public appropriation of rent could ensure the removal of "the incentive which monopoly ownership provides for not using a scarce resource to the fullest extent. . ."[35]

IV

The Entitlements Approach to Distributive Justice

FOR HENRY GEORGE, the public collection of land rent was a requirement of distributive justice as well as a necessity for market efficiency. His argument rests on a natural rights approach to property similar to those enunciated by John Locke, the young Herbert Spencer,[36] Auguste and Léon Walras[37] and, at times, by J. S. Mill.[38]

Probably George's natural law philosophy is the major reason for the neglect of his work by economists. However, since Robert Nozick's book *Anarchy, State and Utopia,*[39] there has been renewed interest in the entitlements approach to distributive justice.

George, like Walras and Nozick, sees normative judgments in economics as being made about what forms of property rights are legitimate. This is the the question of distributive justice. Once this is settled, commutative justice will be achieved by free exchanges and the State should not intervene to effect re-distribution: justice, as in the code of Justinian, consists of rendering unto each man what is his due.

Where George differs with Walras and J. S. Mill is on the question of compensation to landholders;[40] where he differs with Nozick and other libertarians is in his rejection of the first occupation theory of landownership. On the first issue, George's argument is that one cannot acquire a legitimate vested interest in what should never be private property; on the second issue, the "first occupation" theory, George essentially asserts that the Lockean proviso is violated—to make the Lockean proviso effective George pleads for the application of publicly-appropriated rent to the equal benefit of all members of the community over all generations.[41] This bare summary does scant justice to George's ethical arguments but it does perhaps show the relevance of the Spencer-Walras-George arguments on distributive justice to current debate between advocates of entitlement or anti-State theories of distributive justice, and utilitarians.

It is particularly interesting to go back to the *Single Tax Discussion* of 1890 and compare George's natural rights approach with the social utility theory of property advanced by J. B. Clark and Edwin R. A. Seligman. The latter argued the then conservative view that: a) all private property was the creation of the State, but b) it would be immoral for the State to resume part of it, *viz.*, land.[42] In retrospect the thinness of this defence of a value judgment in favor of the status quo becomes apparent when the same sort of argument could be used by the Fabian Socialists to advocate nationalization of all capitalist property.[43] Theories of distributive justice based on social utility or social welfare maximization, as Nozick noted,[44] have proved to be rather ambiguous as to their ethical content and even Paretian liberalism runs into ethical problems when confronted with problems such as self-indulgence in drugs or voluntary sale of oneself into debt slavery.[45]

Questions such as these are stimulating renewed interest in the entitlements approach to distributive justice and in this discussion, George's normative economics deserves re-examination.

V

The Burden of Debt and Capital Formation

THE PROBLEM of how capital formation is affected by government debt or social security schemes is today a topical issue. One argument, due to Ricardo, is that "fiscal illusion" will cause reduced capital formation if households can satisfy their savings needs by acquiring implicit or explicit government debt.[46] George not only agreed with this argument but also anticipated the modern counterargument that concern for posterity would prevent fiscal illusion. He argued thus: a) it is true that resource transfers cannot be made from the future—we cannot borrow from posterity; b) but we can obtain a voluntary transfer of wealth now by offering to levy taxes in the future to pay interest on the debt thus contracted; c) however there will be fiscal illusion because society is not homogeneous—other people's children may be taxed for the lender's posterity.[47]

These are not, of course, his exact words but it is, I think, a fair representation of the gist of his views on public debt. What is more interesting is that George seems to have groped for a generalization of this principle of "wealth illusion" in his posthumous *Science of Political Economy.*

In this work he contrasts "value from obligation" (roughly, transfer incomes) with "value from production" (roughly, value added) and he uses these terms both for the flows and their capitalized values. George then argues that J. S. Mill was wrong in thinking that the laws of production could be separated from the laws of distribution since insofar as human law allowed property rights to certain transfer incomes (*e.g.*, from slaves, land, public debt, monopoly privileges) without these incomes being derived from contributions by their owners towards increased production, then both production and capital could be checked. There was, George claimed, a fallacy of composition in thinking increases in the value of such things represented capital formation by society as a whole even though individuals would count this as increased wealth.[48]

George's discussion of all this is couched in diffuse, philosophical language rather than modern analytic terminology but it is an interesting forerunner of the arguments employed today about the way public debts and land can, by serving as wealth in portfolios, result in a lower physical capital stock.

VI

Expectations—and a Very Speculative Question

BEFORE KEYNES, I doubt whether anyone laid as much stress on expectations as a cause of depressions as did George. His theory of depressions has as an essential element the idea that speculative expectations of future land rents will lead to rents being demanded in excess of what capital and labor can produce as their surplus over real cost. Keynes in his theory stresses the importance of expectations about future higher interest rates as a mechanism for keeping present interest rates too high for the full employment level of investment to be undertaken. Given this, let us consider the following facts: a) Keynes wrote that land may have functioned as money in history and a cause of high interest rates;[49] b) he attributes the destabilizing power of expectations about interest rates to the fact that money is a link between present and future, a characteristic, he also admits, of land;[50] c) Keynes was sympathetic to Silvio Gessell, a land nationalizer and an advocate of stamped money;[51] d) he was a supporter of the British Liberal Party which attempted for the first three decades of this century to introduce land value taxation. Perhaps Keynes knew personally members of the Party such as Outhwaite, Trevelyan and Wedgwood who wrote about land speculation;[52] and e) apparently Keynes himself was a land reformer early in his career[53].

The question which suggests itself is: Did Keynes work towards his theory of depressions by seeing in the money market an analogous role for expectations to that claimed for it by land value taxers in the land markets? (It seems that Keynes did not accept the land taxers' view of depression because he felt land had become a less important form of capital in modern society).[54] This is, of course, a highly speculative question but one which seems natural when one considers the way in which George and Keynes used speculation and expectations in the land and money markets respectively as causes for depressions.

VII

Summary

IN THIS SHORT SKETCH, it is not possible to explore fully the substantive issues but it is clear that Henry George's intellectual influence is wider than generally recognized: it is also clear that this last of the classical economists wrote in his high Victorian prose about some very modern problems.

Notes

1. On Clark's relation to George, see Charles F. Collier, "Henry George's System of Economics: Analysis and Criticism" (Ph. D. thesis, Duke University, 1976), pp. 108–14.

2. See G. J. Stigler, "Alfred Marshall's Lectures on Progress and Poverty" *Journal of Law and Economics*, Vol. 12 (1969), pp 181–226.

3. J. S. Hobson, "The Influence of Henry George in England," *Fortnightly Review*, (December, 1897), pp. 835–44. See also Collier, *op. cit.*, p. 70.

4. Harold M. Groves, "Tax Philosophers," D. J. Curran, ed., (Madison, Wis., 1974), p. 131. See also Collier, *op. cit.*, pp. 73–75.

5. "I had also read Henry George, and found him quite impressive, both on free trade and on 'the single tax' on land values . . . ." Abba P. Lerner, "Marginal Cost Pricing in the 1930s" *American Economic Review (Papers and Proceedings)*, Vol. 67 (1977), p. 235. Obviously, Lerner's concept of surplus, like Hobson's, has relations with George's single tax argument. See A. P. Lerner, *The Economics of Control* (New York, 1952), Ch. 18, pp 222–23; Ch. 19, pp 232–34; and also J. A. Hobson, *Taxation in the New State* (London, 1919), pp. 25–27.

6. Eugen von Böhm-Bawerk, *Capital and Interest* (3 vols.), Vol. I, "History and Critique of Interest Theories," pp. 336–41. (Trans. by G. D. Huncke and H. F. Sennholz) (South Holland, Ill. Libertarian Press, 1959).

7. See Collier, *op. cit.*, pp 108–14 and also his chapter on Clark and Patten in Robert V. Andelson, ed., *Critics of Henry George* (Cranbury, N. J.: Fairleigh Dickinson Univ. Press, 1979), pp. 261–72.

8. American Social Science Association, *The Single Tax Discussion* (held at Saratoga, Sept. 5, 1890 and edited by F. B. Sanborn) (Concord, Mass.: 1890). Clark's ethical postulate appears on p. 24.

9. J. B. Clark in *The Single Tax Discussion, op. cit.*, pp. 24–25.

10. *Ibid.*, p. 25.

11. *Ibid.*, p. 26.

12. Collier, "Henry George's System," *op. cit.*, pp 69, 109–111. Fetter's comments may be found in Frank A. Fetter, *Capital, Interest and Rent*, Murray N. Rothbard, ed. (Kansas City: 1977), pp 126–27. This is a reprint of Fetter's chapter on "Clark's Reformulation of the Capital Concept" first published in Jacob H. Hollander, ed., *Economic Essays Contributed in Honor of John Bates Clark* (New York: 1927).

13. See Steven B. Cord and Robert V. Andelson, "Ely: a Liberal Economist Defends Landlordism," in *Critics of Henry George, op. cit.*, pp. 322–23.

14. Alfred Marshall, *Principles of Economics* (9th (variorum) edition by C. W. Guillebaud, London, 1961), Appendix G, pp. 802–03.

15. *Ibid.*, Appendix K., p. 832.

16. *Ibid.*, pp.170, 431–32, 534, 536.

17. F. W. Taussig, "Capital, Interest and Diminishing Returns," *Quarterly Journal of Economics*, Vol. 22 (1907–08), p. 351.

18. E. von Böhm-Bawerk, "The Positive Theory of Capital and Its Critics: I," *Quarterly Journal of Economics*, Vol. 9 (1894–95), pp. 121–22, 129. "The Nature of Capital: A Rejoinder" *Quarterly Journal of Economics* Vol .22 (1907–08), pp. 30–31.

19. Böhm-Bawerk, *Capital and Interest*, Vol. 2, "The Pure Theory of Capital," p. 55. See also pp. 56–62, 410n.

20. T. N. Carver, *The Distribution of Wealth* (New York: 1904), cited in *Critics of Henry George*, p. 323.

21. Adam Smith, *The Wealth of Nations* (Glasgow edition, Oxford: 1976), pp. 72, 166–67, 192–94, 409, 686.

22. Jean-Baptiste Say, *A Treatise on Political Economy* (trans. by C. R. Prinsep, Philadelphia, 1880, reprinted by Augustus M. Kelly, New York 1971), Bk. II, Ch. IX, p. 360.

23. Henry George, *Progress and Poverty*, (New York: Robert Schalkenbach Foundation, 1971), pp. 328, 397–406.

24. Henry George, *The Science of Political Economy* (London, 1932), Book III, Ch.VI, VII, pp. 278–86.

25. Henry George, *A Perplexed Philosopher* (New York: Robert Schalkenbach Foundation, 1965), Part III, Ch. VII, pp 162–69. The point is significant because it is often assumed that externality will be "solved" by establishing property rights; what George suggests is that property rights already do exist and externality may be perceived as conflict or cooperation between landowners.

26. Henry George, *Progress and Poverty*, Book IX, Ch. I, pp. 435–36.

27. Bruce Yandle and A. H. Barnett, "Henry George, Property Rights and Environmental Quality," *American Journal of Economics and Sociology*, Vol. 33 (1974), pp. 393–400.

28. Marshall, *Principles*, Vol. V, Chs. X and XI, pp. 433–34, 440–445.

29. Joseph A. Schumpeter, *History of Economic Analysis* (New York: Oxford Univ. Press, 1954), pp. 190–91, 264, 603, 672, referring to Book II, Ch. 16, Sec. 2. See also Robert F. Hébert, "Marshall: A Professional Economist Guards the Purity of His Discipline," in *Critics of Henry George* pp. 61–63.

30. Schumpeter, *op. cit.*, p. 672. One wonders how Schumpeter would describe competition for taxi licences.

31. G. J. Stigler, *op. cit.*, p. 182.

32. Adam Smith, *Wealth of Nations*, pp.78–79, 134, 161, 163–64, 172, 565, 572–73; John Stuart Mill, *Principles of Political Economy* (Toronto ed., Univ. of Toronto Press, 1965, pp. 230, 232, 416, 497; Henry George, *Progress and Poverty*, pp. 191–193, 319, 412–13, 442. See also F. T. Carlton, "The Rent Concept, Narrowed and Broadened" *Quarterly Journal of Economics*, Vol. 22 (1907–08), pp. 55–58.

33. Israel Kirzner, *Competition and Entrepreneurship*, Chicago: Univ. of Chicago Press, 1973), pp 97–99, 109.

34. Henry George, *Progress and Poverty*, pp. 436–37. See also F. T. Carlton, *loc. cit.*, p. 57.

35. Kirzner, *op. cit.*, p. 111.

36. Herbert Spencer, *Social Statics* (original 1850 edition, reprinted Robert Schalkenbach Foundation, New York, 1970). Ch. IX, X, pp. 103–122. See also Henry George, *A Perplexed Philosopher, passim.*

37. W. Jaffé, "Léon Walras: An Economic Adviser Manqué," *Economic Journal*, Vol. 85. (1975), pp. 810–23.

38. Mill was, of course, a utilitarian but he did enunciate a doctrine of equal rights to the land. See his *Principles* Book II, pp. 226–32. Mill's logical inconsistencies were criticized by George in *Progress and Poverty* Book VII, Ch. 3, pp. 360–67 and in the *Science of Political Economy*, Book II, Ch. II, pp. 107–08, and Book IV, Ch. V. pp. 353–57.

39. Robert Nozick, *Anarchy, State and Utopia* (New York, 1974), Ch. 7, pp. 149–182.

40. See the references to George in note 38 supra and also consult his *A Perplexed Philosopher*, pp. 207–43.

41. See Robert de Fremery, "Natural Rights and the Lockean Proviso: Locke, Nozick and Spencer" (mimeo, 10 pp., Land and Liberty Press, London, 1979).

42. *Single Tax Discussion*, pp. 21–22, 40. For George's view, see pp. 74, 82 and also his *A Perplexed Philosopher*, p. 211.

43. See "Capital and Land," (Fabian Tract, No. 7, London 1891).

44. Nozick, *op. cit.*, pp. 28–42.

45. For recent criticism of Paretian liberalism, see A. K. Sen, "Personal Utilities and Public Judgements Or What's Wrong with Welfare Economics?" *Economic Journal,* Vol. 89 (1979), pp. 549–54.

46. G. P. O'Driscoll, "The Ricardian Nonequivalence Theorem," *Journal of Political Economy,* Vol. 85 (1977), pp. 207–10.

47. Henry George, *Social Problems* (1883, reprinted Robert Schalkenbach Foundation, New York, 1963), Ch. 16, "Public Debts and Indirect Taxation," pp. 161–67.

48. Henry George, *Science of Political Economy* pp. 206–24, 238–39, 326, 333–341.

49. J. M. Keynes *The General Theory of Employment, Interest and Money* (London, 1936, reprinted 1964), Ch. 17, pp. 241–4.

50. Keynes, *op. cit.,* Ch. 21, pp. 293–94. Compare this with George in *Progress and Poverty,* pp. 255–60, More material on expectations can also be found in Keynes, *op. cit.,* pp 147–64 and in George's *Progress and Poverty,* pp 263–81 and *Social Problems,* pp. 117–28.

51. Keynes, *op. cit.,* pp 355–58.

52. See Elwood P. Lawrence, *Henry George in the British Isles* (Lansing: Michigan State Univ. Press. 1957), pp. 111, 123–24, 131, 134, 136–37, 152, 155, 160–61, 163, 166–67, 173–74, 176. See also C. H. Chomley and R. L. Outhwaite, *Land Values Taxation* (London, 1909); C. Trevelyan, "Land Value Taxation and the Use of Land," *Economics Journal,* Vol. 17 (1907), pp 30–35; Josiah Wedgwood, "The Principle of Land Value Taxation," *Economic Journal,* Vol. 22 (1912), pp 388–97.

53. W. Lissner, "On the Centenary of 'Progress and Poverty'," *American Journal of Economics and Sociology,* Vol, 38 (1979), p. 15, n.6.

54. In 1925, Keynes told the Liberal Summer School that the land question was no longer a problem thanks to a "silent change in the facts." Cited in *Critics of Henry George,* p. 203n.

1,700 Fine Quotable Quotes

W. STANLEY JEVONS once wrote: "In matters of philosophy and science authority has ever been the great opponent of truth. A despotic calm is usually the triumph of error. In the republic of the sciences sedition and even anarchy are beneficial in the long run to the greatest happiness of the greatest number" (*Theory of Political Economy,* 4th ed., pp. 275–76.) We are reminded of this in a recent book, Simon James's *A Dictionary of Economic Quotations* (Totawa, N.J. 07511: Barnes & Noble Books, 1981, 244 pp., $22.50). Very likely everybody will find some favorite quotations missing from this volume. But Mr. James offers 1,700 fine competitors for one's favor. Like this one by R. H. Tawney from his *The Acquisitive Society:* "No one supposes that the owner of urban land performs, *qua* owner, any function. He has a right of private taxation; that is all."

W.L.