CHAPTER V

GEORGE AND SOCIALISM

AT the close of Chapter III there was made the statement that George's proposal to socialize economic rent was the only form of "socialism" that he felt to be necessary. It was, moreover (with the possible exception of public utilities), the only socialization that was acceptable to him. This limitation of society's control of economic processes to land values must introduce the question as to the general relationship between the proposals of socialism and those of George. and it is felt that a brief discussion of that connection may be in place here. That discussion will be confined largely to pointing out the interesting historical relation between George and the socialists, and to a mention also of the seeming points of contact between their respective programs, points which, although in superficial agreement, are indicative of fundamental theoretical contrasts. Yet these contrasts, it will be suggested, must not be interpreted as insurmountable barriers that will force the two movements to remain forever implacable antagonists.

An unfortunate characteristic of some of the less thoughtful types of right wing criticism is the tendency to link together, for purposes of joint condemnation, all suggestions for social change, no matter how divergent they may be in aim and method. Too often there has been a noticeable lack of discrimination in appraising the different schools of liberal thought with the unhappy result that social movements which are poles apart find themselves confronted by

the same critical formulæ. Proposals almost diametrically opposed to one another have again and again been made unwilling allies and have then been attacked along a single front. Marx and Bakunin, for example, made strange and embarrassed bedfellows, yet how many times have they been anathematized as blood-brothers. But, while the type of mind that considers the Soviet leaders to be both socialists and anarchists may well be disregarded, still this perhaps unconscious proclivity to confuse the issues of attempted political and economic reconstruction is more subtle and pervasive than is generally realized. There seems almost to be a set of associated ideas all ready to greet any suggestion of change, and the precise nature of the suggestion does not appear at all relevant.

The reception of George's doctrines has been not a little influenced by this uncritical attitude and the outcome has been to couple him occasionally with the socialists.¹ Of course, the scorn of socialists and the horror of George's followers at any hint of thus being paired together afford an eloquent proof of the infelicity of such a venture, and that scorn and horror on the part of each are perhaps justified. The confusion between George and socialism, it is true, has most frequently showed itself in the popular mind, but it has by no means been confined to popular opinion. In the most

1 "Socialism," it is well realized, means many things—especially to socialists—but to discriminate too finely between the different schools is hardly of value in this connection. It is felt, however, that socialism as a word still has an obvious connotation that, although somewhat vague per-

haps, may be readily grasped.

George himself wrote that "the term 'socialism' is used so loosely that it is hard to attach to it a definite meaning. I myself am classed as a socialist by those who denounce socialism, while those who profess themselves socialists declare me not to be one. For my own part I neither claim nor repudiate the name, and realizing as I do the correlative truth of both principles can no more call myself an individualist or a socialist than one who considers the forces by which the planets are held to their orbits could call himself a centrifugalist or a centripetalist." (Protection or Free Trade, pp. 302-303, n.) This, however, was written in 1886, just before George came into bitter political conflict with the socialists.

academic of discussions George has been often designated as a socialist (or, at least, as a land nationalist), although the term has usually been qualified; he has been treated as a "land socialist," an "agrarian socialist," even a "Christian socialist."

The popular confusion of George with socialism has been quite pardonable, for at the time George came into general notice through the newspapers of the '80s his work was directly connected with that of the socialists. His lecture tours in Great Britain coincided with the formation of the newer socialist groups and the reawakened interest in the labor problem, and he was constantly referred to by the English newspapers as the "prominent American socialist." In the United States he achieved his greatest popularity during the New York City mayoralty election of 1886, and in this campaign all the labor unions and socialist organizations rallied to his support. As a result, he was attacked by the more uncritical of the conservative journals as a socialist (also as an anarchist) and he was welcomed, for a time at least, as a socialist by the labor organizers. It is readily understandable, then, that in some quarters there has been difficulty in divorcing George from this early historical connection with socialism; but that difficulty should not carry over into discussions which profess to have more than a casual acquaintance with the fundamental positions of the two movements.

It is of course obvious that both George and the socialists were united in their criticism of the existing order; both saw the absurd evils of an unbalanced economic organization, and both looked forward to something that would indicate a saner treatment of a diseased society. Yet there seems to be nothing quite so productive of disharmony as this "criticism of the existing social order." All reform movements desire "to change conditions," but that goal has appeared to operate

so as effectively to preclude mutual agreement between such movements. Too often the one point of contact has been nothing more than this attitude of criticism and aspiration. And this has been certainly true of the socialists and the followers of Henry George. They may have been made codefendants by indiscriminate attacks, but they hardly have been coöperators. Even though the ultimate ideal of each may be the creation of a more perfect society, their main traveled roads have led in opposite directions with but chance meetings at isolated by-paths.

The historical connection between George and socialism in England was one of the most interesting episodes in the development of British left wing economics, and if that connection has just been mentioned as a plausible ground for the popular confusion of the two movements, it must also be considered as an example of the legitimate traffic in ideas. George's rôle in the formulation of English socialism in the '80s may not be evidence of any basic sympathy between the two, but it was at least a vivid testimony to the persuasive influence of the American reformer upon the radical movements which came under his sway in their very infancy.

Modern "scientific" British socialism can be quite definitely traced to the work and personal influence of Marx in London from 1849 to 1883. He had come to England just after the downfall of the Chartist movement and during the last stages of the shorter-lived Oxford and Christian socialist agitations. The years of labor apathy in England, which lasted from the collapse of Chartism about 1850 to the time of the American Civil War, were the years in which he began work on what was to be his major effort. Even as early as 1846 Marx had written the "Inaugural Address" for the International Working Men's Association (which was really an attempt on the part of the trade-unions

to revivify Chartism), although after the failure of the organization within a few years he became suspicious of the English labor leaders. Of course, there had been a growing trade-union movement and Utopian socialist agitation in England all throughout the nineteenth century, but it was Marx and the brilliant circle he soon gathered about him who ushered in present-day socialism.²

Yet despite the personal influence of Marx in England and despite the fact that Das Kapital was published twelve years earlier than Progress and Poverty, strangely enough it was George and not Marx who exerted the initial stimulus upon the thinkers who within a few years were to organize the Fabian Society and the Social Democratic Federation. It was not that English radicals were unacquainted with Marx's work (although Das Kapital was not translated into English until 1886, and up to that time had been interpreted, and often wrongly, only by those socialists in England who were familiar with German or French) ⁸ but rather that their imaginations and interest were profoundly stirred by the vigor of George's writings and the eloquence and sincerity of his personal propaganda. Progress and Poverty was first published in 1879. Within three years a cheap paper edition of the book had been circulated all throughout the United Kingdom, and George was arousing Ireland with a series of lectures on the land question. In 1884 he again came to Great Britain and his talks were received with an almost wild

² For a discussion of the rise of British socialism see: History of British Socialism by M. Beer (London, G. Bell and Sons, 1921); Socialism in England, Sidney Webb (London, Swan Sonnenschein, 1893); H. M. Hyndman's Record of an Adventurous Life (New York, Macmillan, 1911); the historical portions of Fabian Essays in Socialism, edited by Shaw (1908 edition, Boston, Ball Publishing Co.); and general histories of socialism.

⁸ See Beer (op. cit.), Vol. II, p. 227. The French translation of Marx was published in 1873, the same year as the second German edition. The Com-

See Beer (op. cit.), Vol. II, p. 227. The French translation of Marx was published in 1873, the same year as the second German edition. The Communist Manifesto was not of particular influence at this stage of English socialist thought; its effect, in England, had been chiefly upon the Chartists, who may be considered as the English expression of the revolutionary movements of 1848.

enthusiasm.⁴ George was turning the attention of liberals to economic questions, and was crystallizing the vague sentiments against social injustice.

George's work, it must be remembered, fitted in admirably with the economic background against which it appeared, that is, the English background of economic theory and land reform that had been prepared by the work of the Land Tenure Reform Association,5 of John Stuart Mill, and of the whole school of classical English political economy with whose conceptions the proposals of George were definitely linked. The new alignment of liberal economists which arose after the decline in power of the traditional Liberal political policies in the late '70s found a familiar source of inspiration in Progress and Poverty. It is true that the majority of George's English converts soon turned from the land question to the growing socialist movement, but the impetus for a consideration of social reform had been supplied by the stocky red-bearded American orator with the religious vision and almost fanatical confidence of some chosen prophet.

This effect of George upon the beginnings of present-day British socialism is fully realized by the socialists themselves, and, although they now consider the single tax agitation as some strange vestigial reminder of a forgotten epoch, there is much in their literature that pays an almost wistful tribute to the fiery American reformer who first set their faces against economic abuses. Perhaps the most illuminating testimony to George's influence in these early days is given by the prince of Fabians himself, George Bernard

⁴ For an account of George's tours of Great Britain, see *supra*, Chap. II, pp. 61-63, 64-65, 70.

⁵ The Land Tenure Reform Association, founded by Mill in 1870, numbered among its members some of the most noted figures in English thought, including John Morley, Thorold Rogers, Alfred Russell Wallace, Cliffe Leslie, and J. E. Cairnes. (For a discussion of George's connection with the concepts of classical English political economy, see *supra*, Chap. IV, especially pp. 200 ff.)

Shaw. In a letter to Hamlin Garland, Shaw wrote that "Henry George has one thing to answer for that has proved more serious than he thought when he was doing it," and that was the conversion of Shaw to social reform. He then relates how one night in the fall of 1882 he was walking along Farringdon Street in London and chanced to wander into Memorial Hall. There he heard an impassioned orator who must have been an American for he spoke of

Liberty, Justice, Truth, Natural Law, and other strange eighteenth century superstitions and . . explained with great simplicity the view of the Creator, who had gone completely out of fashion in London in the previous decade and had not been heard of there since. . . . Now at that time I was a young man not much past twenty-five, of a very revolutionary and contradictory temperament, full of Darwin and Tyndall, of Shelley and De Quincey, of Michael Angelo and Beethoven, and never having in my life studied social questions from the economic point of view, except that I had once in my boyhood read a pamphlet by John Stuart Mill on the Irish Land Question. The result of my hearing that speech, and buying from one of the stewards at the meeting a copy of Progress and Poverty for sixpence . . . was that I plunged into a course of economic study and at a very early age of it became a Socialist. . . . When I was thus swept into the great Socialist revival of 1883, I found that five-sixths of those who were swept in with me had been converted by Henry George. This fact would have been far more widely acknowledged had it not been that it was not possible for us to stop where Henry George stopped. . . . But I am glad to say that I never denied or belittled our debt to Henry George. If we outgrew Progress and Poverty in many respects so did he himself too. . . . Nobody has ever got away or ever will get away from the truths that were the centre of his propaganda; his errors anybody can get away from. . . . Only an American could have seen in a single lifetime the growth of the whole tragedy of civilisation from the primitive forest clearing.

⁶ December 29, 1904, in answer to an invitation to attend an anniversary dinner in honor of Henry George which was held in New York, January 24, 1905. The letter may be found in the George collection of manuscripts and letters in the New York Public Library.

An Englishman of Liverpool grows up to think that the ugliness of Manchester and the slums of Liverpool have existed since the beginning of the world. . . . His [George's] genius enabled him to understand what he looked at better than most men; but he was undoubtedly helped by what had happened within his own experience in San Francisco as he never could have been helped had he been born in Lancashire. . . . My ambition is to repay my debt to Henry George by coming over some day and trying to do for your young men what Henry George did nearly a quarter of a century ago for me.

And in the latest Shavian economic advice to women, a Shaw writes in the foreword that:

I wonder this book of mine was not written in America by an American fifty years ago. Henry George had a shot at it; indeed it was his oratory (to which I was exposed for forty-five minutes forty-five years ago by pure chance) that called my attention to it. . . . Still, America can claim that in this book I am doing no more than finishing Henry George's job.

That these expressions of George's influence are not just courteous gestures on the part of Shaw is attested by the biographer, Archibald Henderson, who writes that Shaw "found his way out by following an insistent summons—the clarion call of Henry George," and again that:

Shaw was so profoundly inspired by the logic of Henry George's conclusions and suggested remedial measures that, shortly after reading *Progress and Poverty*, he went to a meeting of the Social Democratic Federation and there arose to protest against their drawing a red herring across the track opened by George.

Shaw's protest must have been singularly ineffective, or perhaps he was persuaded later to help drag the herring.

If Shaw, however, is not a credible witness for the his-

^{6a} Intelligent Woman's Guide to Socialism and Capitalism (Brentano; Constable; 1928).

⁷ George Bernard Shaw, His Life and Works (a critical biography, authorized) (Cincinnati, Steward and Kidd, 1911), pp. 56; 96.

torical genesis of present-day British socialist enthusiasm, Sidney Webb surely is; he writes:

Little as Mr. Henry George intended it, there can be no doubt that it was the enormous circulation of his Progress and Poverty which gave the touch which caused all the seething influences to crystallize into a popular Socialist movement. The optimistic and confident tone of the book, and the irresistible force of its popularisation of Ricardo's Law of Rent sounded the dominant "note" of the English Socialist party of to-day.8

And Beer writes that:

. . . Henry George's books and lectures . . . stimulated many of the younger generation of intellectuals and working men, and caused them to turn their attention to economics. Four-fifths of the socialist leaders of Great Britain in the '80s had passed through the school of Henry George.

William Morris believed that "Henry George's book had been received in this country and in America as a new Gospel." 10 and Hobson's opinion in 1897, mentioned in a previous chapter, was that "Henry George may be considered to have exercised a more directly powerful formative and educative influence over English radicalism of the last fifteen years than any other man." in Fabian Essaus in Socialism Shaw again traces the transition through which "numbers of young men, pupils of Mill, Spencer, Comte, Darwin, roused by Mr. Henry George's Progress and Poverty, left aside evolution and free thought, took to insurrectionary economics, studied Karl Marx" 12—and so became bona fide socialists.

⁸ Socialism in England, p. 21.

History of Brilish Socialism, Vol. II, p. 245.
 In Life of William Morris, by J. W. Mackail, Vol. II, p. 109. (Quoted in Beer, Vol. II, p. 251.)

[&]quot;The Influence of Henry George in England," in the Fortnightly Review of December 1, 1897. ¹² Essay on "Transition to Social Democracy," p. 169.

A representative of a different type of English socialism, the fiery Tom Mann, pays still another tribute to George's influence:

In 1881, I read Henry George's book Progress and Poverty. This was a big event for me; it impressed me as by far the most valuable book I had so far read, and, to my agreeable surprise at the time, it seemed to give an effective answer to Malthus. I was greatly interested in the book. It enabled me to see more clearly the vastness of the social problem, to realise that every country was confronted by it, and the capable and comprehensive analyses of the population question supplied me with what I had not then found in any book in this country before. I must again give a reminder that Socialism was known only to a very few persons and that no Socialist organization existed at this time. . . . I am not wishful to pass any criticism upon Henry George; I wish, rather, to express my indebtedness to him. His book was a fine stimulus to me, full of incentive to noble endeavour, imparting much valuable information, throwing light on many questions of real importance, and giving me what I wanted-a glorious hope for the future of humanity, a firm conviction that the social problem could and would be solved. 18

Hyndman's opinion of George's influence was one of patronizing and good-natured toleration. Perhaps his Cambridge background, which led him at first to view even Marx with some condescension, ever allowed him to become really sympathetic with the work of the agitator from the "San Francisco sand-lots," as he constantly referred to George. Although Hyndman was closer personally to George than practically any of the other English socialists (George was his guest for some time while in England) his impatience, as he himself admits in his book, to at not being able to convert him to socialism prevented him from seeing in the American's

Tom Mann's Memoirs (London, Labour Publishing Co., 1923), pp. 27-28.
 Marx's proud and austere personality resented this early patronizing, and for his resulting quarrel with Hyndman, see Beer, Vol. II, pp. 228 ff.
 Record of an Adventurous Life, pp. 266-268.

conceptions anything more than a possible propædeutic influence upon the growth of British socialism. He wrote, in a passage that is important for containing one of the few references of Marx to George's work, that:

About this time Henry George's Progress and Poverty began to produce a great effect upon the public mind, partly in consequence of the land question in Ireland, and even in Great Britain, being more to the front than it has been before or since in our day. . . . Marx looked it through and spoke of it with a sort of friendly contempt: "the capitalists' last ditch," he said. This view I scarcely shared. I saw the really extraordinary gaps in the work and its egregious blunderings in economics, but I also recognized, to an extent that Marx either could not or would not admit, the seductive attractiveness for the sympathetic, half-educated mob of its brilliant high-class journalese. I understood, as I thought, that it would induce people to think about economic problems who never could have been brought to read economic books pure and simple; and although I saw quite as clearly then as I do now that the taxation of land values can be no solution whatever of the social question, I felt that agitation against any form of private property was better than the stereotyped apathy which prevailed all around us. . . . Therefore, I argued, George will teach more by inculcating error than other men can impart by complete exposition of the truth. Marx would not hear of this as a sound contention. The promulgation of error could never be of any good to the people, that was his view. . . . Nevertheless, I still hold that George's temporary success with his agitatory fallacies greatly facilitated the promulgation of Marx's own theories in Great Britain, owing to the fact that the public mind had been stirred up to consider the social question, and political economy generally, by George's easily read book. But that George's fluent inconsequences should be uncongenial to Marx's scientific mind is not surprising. George was a boy with a bright farthing dip fooling around within the radius of a man using an electric searchlight.18

 18 *Ibid.*, pp. 267–269.

Practically the only written mention of George by Marx occurred in a letter to his friend Sorge from London, June 30, 1881. The letter appears in Briefe und Auszüge aus Briefen von Joh. Phil. Becker, Jos. Dietzgen, Friedrich Engels, Karl Marx u.a. an F. A. Sorge und Andere (Stuttgart, 1906), pp. 175-177. My translation of the letter follows:

These few quotations will be perhaps sufficient to indicate the part that George played in stimulating the young, and the not-so-young English radicals of the early '80s. To paraphrase Sidney Webb's chemical analogy: George found in Great Britain a supersaturated solution of social discontent, and his contact resulted in the forming of a sediment of socialism (a chemical, of course, and not an ethical sediment) while he himself, as the catalytic agent, remained unaffected. The British socialist movement went confidently on its way,

"I had received two other copies of Henry George before getting yours, one from Swinton and another from Willard Brown, so I gave a copy to Engels and one to Lafargue. For the moment I must confine myself to a very brief judgment of the book. The man is in theory completely behind the times' (arrière). He understands nothing of the nature of surplus value, and he wanders about, after the example of the English, although still further behind their old-fashioned speculations concerning the more obvious elements of surplus value—the relations of profit, rent, interest, etc. His fundamental principle [is] that everything would be set in order were the ground-rent paid to the State... This view originally belonged to bourgeois political economy; it was next asserted (without mentioning the similar demands made at the end of the eighteenth century by the earliest redical followers of Biographic improductory after his dury by the earliest radical followers of Ricardo immediately after his death. I myself said concerning this, in my article against Proudhon in 1847 [the next passage is in French]: 'We realize that economists such as Mill (the elder, not the son John Stuart who reiterated something of the same sort in a modified form), Cherbuliez, Hilditch and others, have demanded that rent be handed over to the State to be used for the payment of taxes. That is simply the frank expression of the hate which the industrial capitalist feels for the landed proprietor, who appears to him as useless and superfluous in the system of bourgeois production. We ourselves, as already mentioned, adopted this appropriation of ground-rent by the State as one of numerous other transitional measures which, as also remarked in the Manifesto, are and must be, if taken by themselves, self-contradictory. . . With him [George] so much more inexcusable is the fact that he interpreted inversely the reason why in the United States, where land in accounting with the the reason why in the United States, where land in comparison with the more developed conditions existing in Europe was and 'to a certain degree' still is accessible to the great mass of the people, the capitalist system and the corresponding servility of the working classes have developed more rapidly and shamelessly than in any other country. On the other hand, the book of George, just as the sensation it has made with you, is significant in that it is a first, if mistaken, attempt to become free from orthodox political economy. For the rest, Henry George appears to know nothing of the history of the earlier American 'Anti-renters,' who were more practical than theoretical. He is otherwise a writer of talent (but to have talent is a Yankee characteristic) as is evidenced by his article on California in the Atlantic. He has, however, the repugnant arrogance and presumption which inevitably mark all such panacea-breeders." Marx's opinion of George was nicely balanced by George's opinion of

and "the young intellectuals and intelligent working men passed from the meetings addressed by the American land reformer, Henry George, to those addressed by H. M. Hyndman and Sidney Webb." The debate between George and Hyndman in St. James's Hall in 1884 may be taken as a convenient date for the final break between George and the English socialists. In the same year the Fabian Society was formed, with Shaw, Webb and Graham Wallas as its moving spirits, and so the vaguest of the socialist elements was organized. The Social Democratic Federation, under the leadership of Hyndman, Champion, and J. L. Joynes was founded a year later, but it was an outgrowth of the earlier Democratic Federation, organized in 1881 by Hyndman and joined by prominent socialists like Belfort Bax and William Morris, who later, however, in 1884, broke away from the Federation and formed the Socialist League. However, both the Federation and the League proved ineffective in influencing the votes of the British working classes, and in 1893. under the direction of Keir Hardie, definite political action was taken by means of the organization of the Independent Labour Party.¹⁸ The Fabian socialists and the Guild socialists, led by G. D. H. Cole, still are upholding what might be

Marx. For example, George wrote to Hyndman: "I know, even if it did not stand out here, your profound admiration for Marx, but your book has convinced me of what I thought before, that however great he may have been in other respects, he lacked analytical power and logical habits of thought. Whatever he may have been, he most certainly was not the scientific man you evidently regard him. . . Whatever may be the value of his historical researches, he certainly seems to me . . . a most superficial thinker, entangled in an inexact and vicious terminology." (June 22, 1884.) George wrote also to an English friend: "I have been reading Hyndman's 'Historical Basis.' It is a pity to see a man of such force following so blindly such a superficial thinker as Karl Marx. Marx's economics, as stated by Hyndman and all his other followers I have read, will not stand any critical examination." (June 26, 1884.) And in another letter to the same man in 1890, George refers to Marx as the "prince of muddleheads."

Beer (op. cit.), p. 242.
 For George's influence upon Labor's erstwhile leader, see H. H. Tiltman's recent biography, J. Ramsay MacDonald, Labour's Man of Destiny (New York, Stokes, 1929).

termed the academic tradition, which has always played an important rôle in the English socialist movement.

George's connection, then, with British socialism was the stimulating influence of his sincerity rather than the formative power of his doctrine. His relationship with American socialism was largely of the same character but not of the same importance, for in the United States there has been always a more sharply defined line of cleavage between his teachings and those of the socialists. For one thing, the impetus and initial enthusiasm of the American socialist movement were not at all dependent upon the work of

¹⁹ Continental socialism, of course, need not be considered in its relations to George, for it was a living force thirty years before his work. Also, it must not be thought that George's influence upon English radical movements was completely absorbed in or dissipated by the rise of the socialist organizations. There always has been a very large and influential Georgist group in Great Britain. Perhaps the most powerful of such Henry George organizations is the United Committee for the Taxation of Land Values, formed in 1907, and directed by men such as John Paul, A. W. Madsen, Frederick Verinder and others. It is a nonparty body which works through a central London office and a great number of local committees all over the United Kingdom; its policies are directed largely to furthering land value taxation activities, political or propaganda, in England (it was of great influence in the Finance Act of 1931), popularizing George's works, and providing a focus for the international movement. There is also a political party group of Georgists in England, the Commonwealth Land Party, founded in 1919, and headed by J. W. Graham Peace, W. C. Owen, Matthew Warriner, and the late R. L. Outhwaite, among others. Of course, the Labour and Liberal parties themselves are committed to some measure of land value taxation. (See infra, pp. 411–424.)

pp. 411-424.)

It was against this group that Hyndman waxed very bitter. He concludes his Further Reminiscences (London, Macmillan, 1912) with a scathing attack upon them: "A crew of wealthy Radical resurrectionists have disinterred Henry George's Single Tax nostrum, which I confess I thought had been buried for good and all thirty years ago. But no, the 'capitalists' last ditch,' as Marx called it, has not been filled up finally with the remains of this bootless, burden-shifting panacea for all economic ills. Baron de Forest, Joseph Fels, Josiah Wedgwood, Hemmerde, Outhwaite and Co. are hard at the galvanisation of their exhumed mummy, and George the Second is waiting close by to see whether their charlatanry can imitate vitality to a sufficient degree to capture the votes of the people and justify his appearance on the stage as the true mantle-bearer of the well-meaning but ignorant prophet of the San Francisco sand lots. . . . This single tax nonsense is injurious because it diverts public attention from the real difficulties of the

land question." (Pp. 523-525.)

George, and in addition there was no land reform tradition such as had existed in England. The origins of modern socialism in the United States can definitely be placed in the period immediately following the Civil War.20 It is true that, as in England, there had been earlier socialist agitations. but these had been of the Utopian rather than the "scientific" school and were confined chiefly to the Owenite communities and the "Phalanxes" of Fourier, which had been established in a number of places throughout the country. Even the socialism of the German emigrants who had come to the United States after the revolutionary disturbances of 1848 was generally utopian in character, although its leader, Wilhelm Weitling, had been associated with Marx and Engels in Germany.21 Weitling's idea of an "exchange bank" for labor was almost identical with Owen's "Equitable Bank of Labor Exchange"; his chief work was in the establishing of the General Working Men's League in 1850, a socialist organization that lasted almost until the outbreak of the Civil War. The war, however, claimed most of the members of the Turnvereins and Turnerbunds, who turned from their socialist discussions to help fight slavery,22 and after the war the socialists found that a new beginning had to be made.

In the late '60s and early '70s the most powerful theoretical influences exerted upon American socialism were the programs of the International Workingmen's Association that

socialism by the work of Joseph Weydemeyer, a friend of Marx and Engels.

²² Hillquit (op. cit.), pp. 154-155.

²⁰ For a discussion of American socialism, see Morris Hillquit's History of Socialism in the United States (New York, Funk and Wagnalls, 1910 ed.); Commons and Associates, History of Labour in the United States, Vol. II, Commons and Associates, History of Labour in the United States, Vol. II, Part 6; Engels's The Labor Movement in America (New York, 1887); Professor Ely's early works such as The Labor Movement in America of 1886, and his Early American Socialism; Jessie Wallace Hughan's The Present Status of Socialism in America (Columbia University Press, 1911); and general histories of socialism. Hillquit stresses the work of the German historians of American socialism such as Sorge and Von Waltershausen.

21 In the '50s a more Marxian character was given to German-American socialism by the work of Ioseph Waydemayer a friend of Mary and Engels.

had been founded by Marx in London in 1864, and the Lassalle movement that had been inaugurated in Germany the preceding year. These Continental groups, as Hillquit shows,28 were able to affect socialism in this country through two channels, the outspoken socialists, chiefly of foreign birth, and the American Labor-Union, an organization that had been formed in 1866 for the purpose of uniting all the American trade-unions in a national movement. But, of course, it was a more direct and tangible stimulus than the doctrinaire statements of European socialists that now prepared the way for the rapid spread of all radical labor agitation—the teachings of George included. The panic of 1873-1877 24 and the bloody strikes of the latter year that had turned many of the great Eastern railway centers into armed camps, had made labor, already self-conscious, sullen and restless. "The strikes failed in every case, but the moral effect was enormous. . . . The spirit of labor solidarity was strengthened and made national," and the "feeling of resentment engendered thereby began to assume a political aspect, and during the next two years the territory covered

²⁸ Hillquit, p. 163; also Commons, II, 204 ff.

²⁴ There can, of course, be no attempt made here to trace the industrial background of either American or English socialism. It may be pointed out, however, that it was only after the Civil War that the factory system in the United States began seriously to affect American industry, and so the American "industrial revolution" must be placed distinctly after that of England, with the obvious result of the later self-consciousness of American labor. Moreover, it may be mentioned that in the United States the origins of socialism seem to have been more directly connected with the labor movement itself than was the case in Great Britain. It was, after all, the leaders of a new economic liberalism in England, thinkers who were a very part of the tradition reaching back from John Stuart Mill to Locke, who became the first prominent socialists. The labor agitators, who, of course, had been connected with the labor movement as such all throughout the nineteenth century, were drawn into socialism later, and although they finally assumed control of the most powerful of the ostensibly socialist organizations, there has always remained, it seems, an element of suspicion between the worker-socialist and the gentleman- and scholar-socialist. In this country there was no such classic liberal tradition, and perhaps that is why socialism in the United States appears more intimately connected with the labor movement itself.

by the strike wave became a most promising field for labor parties of all kinds and descriptions." ²⁵

Socialism found in this depression and resentment a fertile background, and it "emerged for the first time from the narrow circle of the refugees from Europe, extended its organizations, and made its appeal to the American working men." 28 It was in 1877 that the Socialist Labor Party was formed which was to dominate the American socialist movement until the twentieth century. (The present-day Socialist Party was formed in 1901.) And it was in these same years that George completed his Progress and Poverty. The same "hard times" 27 that had driven laborers into the ranks of socialism had made him sensitive to social problems, and still later it was the continued labor depression that prepared the way, as it did with socialism, for the favorable reception of his doctrines. Both George and socialism, therefore, were affected by the same conditions, and there was no dependence of one upon the other, as had been partly the case in England; there was no need for one to look for inspiration to the other -both had inspiration right at hand.

The one attempted political union between George and the socialists occurred in 1886, when George became the labor candidate in the New York City mayoralty election. It was admittedly only an opportunistic coöperation. George was the most popular figure in the reform movement, and both the labor unions and the socialists subordinated their own programs in order to unite in what they hoped would be

²⁶ Commons, II, 191. Professor Perlman adds: "The business depression of 1873 to 1879 was a critical period in the American labor movement. . . . It became clear that the 'open union' was not an effective means of combating the tactics of capital." (P. 195.)

²⁷ A vivid picture of the deplorable conditions that existed during the industrial depression of the '70s is given in the book of Allen Pinkerton, the detective, Strikes, Communists, Tramps and Detectives (New York, 1900 ed.; the book first appeared in 1878).

²⁸ For a brief account of the election, see supra, Chap. II, pp. 66-69.

a successful attack upon privilege—the socialists interpreting privilege as capitalism, the labor unions viewing it as the unrestricted power of the employer, and George having in mind only the privilege and monopoly of the private ownership of land. "From the standpoint of labor, therefore, the platform [of George] was not satisfactory, for the single tax was hardly understood by the working men. But so great was the popularity of the man and so bright the chances for success that this was overlooked. Even the socialists, from whom the harshest criticism might have been expected, raised no protest." The socialists had been greatly weakened by the anarchist agitation which had reached its height about 1883, and were in no condition to support their own candidate; "it was only in 1886 that the Socialist Labor Party was roused from its political lethargy." 31

The socialists never denied that they were hostile to George or that they favored his candidacy for any save opportunistic reasons. The *Volkszeitung*, for example, stated that it supported George "not on account of his single-tax theory, but in spite of it," 32 and this was the general attitude of socialism. And it is also true that neither did George nor his prominent supporters feel any great friendliness for the socialists. George's platform contained none of the fundamental demands of socialism, and socialist leaders received no important places in the United Labor Party. Such coöperation was not intended to last, and obviously it did not last. Dissension began soon after the election when attempts were made to place the party on a permanent basis, and at the convention in Syracuse in 1887 there was an open break between the supporters of George and the members of the

³¹ Hillquit, p. 247. ⁸² Ibid., p. 254.

²⁹ Commons, Vol. II, p. 449. ³⁰ In that year the membership of the Socialist Labor Party was not more than fifteen hundred. (*Ibid.*, p. 300.)

Socialist Labor Party, each faction declaring that the other sought to dominate the movement. While the socialists were willing to compromise, George held that any compromise would be fatal, and the final result was that the socialist delegates to the convention were declared ineligible. This split in the United Labor Party of George caused its downfall; its candidates, including George, polled a negligible vote in the State election of 1887, and in 1889 the party disappeared, George having left it the year before to support Cleveland. Since that time the socialists and the followers of George have gone their separate political ways.88 The historical relationship, then, between George and socialism was of real importance only in England, and even that connection, perhaps, was a more interesting than significant one.

However, there has been another more ideational factor that has been partly instrumental in that noticed confusion of the programs of the two movements. It is the obvious yet somewhat disconcerting demand for land reform that is part of every socialist platform. Although the land question has not been elevated to a really prominent position among socialists, except in England, where the age-old concern with the land problem and the historical connection with the classical economic school have inextricably bound up all social reform to some extent with ground rent and "unearned increment," 84 yet it has been necessarily present in all pro-

discussion is Great Britain—although we may assume that the socialists of

³³ This may be too extreme a statement, for it is true that socialists and single taxers have coöperated on specific political measures in this country, especially in some of the Western States. (See Young's *History of the Single Tax Movement in the United States*, pp. 307 ff.) Such coöperation has been always the result of opportunism, however, and not of principle, but it is a coöperation that must be encouraged by any one at all interested in social and economic problems. In very recent years, especially since the leadership of Norman Thomas, there seems to be more evidence of sympathy on the part of socialists for the work of George.

34 "The only country, therefore, in which the problem of the nationalization of the land or of land rent has been in the forefront of socialistic

grams of socialism, for both land and capital (which, for socialism, are in the same category) are to be removed from private control and placed under social administration; the socialization of machinery clearly demands the socialization of sites and natural resources. But the evils of land monopoly, of course, have never been considered by socialists to be on a parity with those of other capitalistic monopolies (and too often also has land reform been interpreted by them as merely an agrarian movement, something that concerns farmers and granges rather than industrial society). Still there is ample testimony to show that socialism is peculiarly sensitive to the necessity of abolishing private property in land.

One of the most unequivocal attacks upon land monopoly has been delivered by Bertrand Russell.⁵⁶ It is a passage, however, that must not be interpreted simply by itself, for

other countries will proceed largely along parallel lines." Socialism of To-Day, edited by Walling, Stokes, Hughan, and Laidler (New York, Henry Holt, 1916), p. 469. Continental socialism, which has remained more or less orthodox, i. e., Marxian, has been very little concerned with the land problem, although the present Social Democratic Constitution of Germany contains some good Georgian provisions.

startling illustration of just such a short-sighted confusion. "It is obvious that the agricultural problem is very largely the same as the land problem. But this fact has not as a rule been fully recognized by the Socialists—outside of Great Britain." If that is intended for a tribute to the astute recognition of British socialists, it surely falls very short, for—to be paradoxical for emphasis—it is obvious that the agricultural problem has almost nothing to do with the significance of the land problem. And in the very next sentence this "obvious" connection between the agricultural and land problems is amusingly contradicted (the book was written under the auspices of the Intercollegiate Socialist Society), for the interest of English socialists in the land question is traced to "the natural fact that the land problem, aside from its purely agricultural aspects, is more important in that country than elsewhere. Land rent, especially urban land rent, absorbs a very considerable proportion of the total income of Great Britain, doubtless a larger proportion than in any other of the great nations."

than in any other of the great nations."

36 Russell is a Guild Socialist with still a philosopher's love for philosophic anarchism. For him "socialism . . . is rather a tendency than a strictly definable body of doctrine" and is fundamentally "the advocacy of communal ownership of land and capital." Proposed Roads to Freedom (London, Allen and Unwin, 1918), p. 23. See also his small volume on Political Ideals (New York, The Century Co., 1919).

Russell is even harsher against capitalistic monopoly; it is selected merely to show that, as with almost all other socialists, he realizes the fundamental economic position of land:

Private property in land has no justification except historically through power of the sword. . . . The land became the property of those who had conquered it, and the serfs were allowed to give rent instead of service. . . . It is a singular example of human inertia that men should have continued until now to endure the tyranny and extortion which a small minority are able to inflict by their possession of the land. No good to the community, of any sort or kind, results from the private ownership of land. If men were reasonable, they would decree that it should cease tomorrow, with no compensation beyond a moderate life income to the present holders.

The mere abolition of rent would not remove injustice, since it would confer a capricious advantage upon the occupiers of the best sites and the most fertile land. It is necessary that there should be rent, but it should be paid to the State or to some body which performs public services; or, if the total rental were more than is required for such purposes, it might be paid into a common fund and divided equally among the population. Such a method would be just, and would not only help to relieve poverty but would prevent wasteful employment of land and the tyranny of local magnates. Much that appears as the power of capital is really the power of the landowners—for example, the power of railway companies and mine-owners. The evil and injustice of the present system are glaring, but men's patience of preventable evils to which they are accustomed is so great that it is impossible to guess when they will put an end to this strange absurdity.²⁷

The Fabians have always been interested in the land problem and so it is no surprise to find the Webbs writing that:

The problem [of rent] has, however, to be faced. Either we must submit for ever to hand over at least one-third of our annual product to those who do us the favour to own our country, without

³⁷ Why Men Fight (New York, The Century Co., 1917), pp. 133-135. (Italies mine.)

the obligation of rendering any service to the community, and to see this tribute augment with every advance in our industry and numbers, or else we must take steps, as considerately as may be possible, to put an end to this state of things. . . . It is the very emphatic teaching of political economy that the earth may be the Lord's, but the fullness thereof must inevitably be the landlord's.³⁸

And then, these statements again from Shaw:

Here was a vast mass of wealth called economic rent, increasing with the population, and consisting of the difference between the product of the national industry as it actually was and as it would have been if every acre of land in the country had been no more fertile or favorably situated than the very worst acre from which a bare living could be extracted; all quite incapable of being assigned to this or that individual or class as the return to his or its separate exertions; all purely social or common wealth, for the private appropriation of which no permanently valid and intellectually honest excuse could be made. Ricardo was quite as explicit and far more thorough on the subject than Mr. Henry George. . . . What the achievement of Socialism involves economically is the transfer of rent from the class which now appropriates it to the whole people. Rent being that part of the produce which is individually unearned, this is the only equitable method of disposing of it. There is no means of getting rid of economic rent. So long as the fertility of land varies from acre to acre, and the number of persons passing by a shop window per hour varies from street to street, with the result that two farmers or two shopkeepers of exactly equal intelligence and industry will reap unequal returns from their year's work, so long will it be equitable to take from the richer farmer or shopkeeper the excess over his fellow's gain which he owes to the bounty of nature or the advantage of situation, and divide that excess or rent equally between the two. . . . The economic object of Socialism is . . . to carry out the principle over the whole community by collecting all rents and throwing them into the national treasury. . . . The socialization of rent would mean the socialization of the sources of

²⁸ Problems of Modern Industry, by Sidney and Beatrice Webb (New York, Longmans, Green, 1920 ed.), pp. 240 and 238.

production. . . . This transfer, then, is the subject matter of the transition to Socialism. . . . 30

A more politically minded British socialist, Philip Snowden, admits that:

Even Socialists are not so omniscient as to be beyond the possibility of learning from others. . . . Like the Single Taxers we recognize the evils of the present land system. Like them, we desire to secure for social purposes the economic rent of land. Like them we believe that much of our social misery is due to the private monopoly of land.⁴⁰

Perhaps of more importance, however, than these expressions on the part of English socialists of the significant part played by land in their conceptions of socialism, are the striking recognitions of Marx himself. There is no intention here, of course, to essay any analysis of his opinions on the land question; all that will be done is to suggest certain passages that seem to indicate that his appreciation of the fundamental character of land was more articulate than his followers generally appear either to have realized or to have

so Fabian Essays in Socialism (the 1889 London Fabian Society edition); from the essay on the "Transition to Social Democracy," pp. 177–180; (italics mine). In the opening pages of the essay on the "Economic Basis of Socialism," Shaw devotes some attention to the original loss of man's claim to the land, and traces in a typically facetious manner the dire consequences of this primal swindling of Adam. Further on, he states: "On Socialism the analysis of the economic action of Individualism bears as a discovery, in the private appropriation of land, of the source of those unjust privileges against which Socialism is aimed. It is practically a demonstration that public property in land is the basic economic condition of Socialism." (P. 22 of the Boston ed., op. cit.; italies mine.) One more expression from Sidney Webb may close these quotations from the Fabians: "The growth of knowledge of political economy makes it constantly more apparent that the Radical ideal of 'equality in opportunity' is absolutely impossible of attainment, even in infinite time, so long as individual ownership of land exists." (Socialism in England, p. 20.)

⁴⁰ In a preface to a Labour Party pamphlet written by Josiah Wedgwood on "Henry George for Socialists." Snowden has always been concerned with

⁴⁰ In a preface to a Labour Party pamphlet written by Josiah Wedgwood on "Henry George for Socialists." Snowden has always been concerned with the land problem, perhaps more so than any other leading political figure in the party. Recently (1929) he has written a very flattering preface to an abridged edition of George's Protection or Free Trade. (See also infra, pp. 416, 421-424.)

admitted. Marx concludes the first volume of his work with a chapter on "The Modern Theory of Colonisation" in which he quotes the book of the English economist, E. G. Wakefield, on England and America. After treating of the general contrast between colonies and the more developed countries, and after pointing out very clearly that in the colonies it is the existence of free land that frees labor and makes it independent of the exploitative power of capital, Marx writes:

We have seen that the expropriation of the mass of the people from the soil forms the basis of the capitalist mode of production. The essence of a free colony, on the contrary, consists in this-that the bulk of the soil is still public property, and every settler on it therefore can turn part of it into his private property and individual means of production, without hindering the later settlers in the same operation. This is the secret both of the prosperity of the colonies and of their inveterate vice-opposition to the establishment of capital. "Where land is very cheap and all men are free. where one who so pleases can easily obtain a piece of land for himself, not only is labour very dear, as respects the labourer's share of the produce, but the difficulty is to obtain combined labour at any price!" 48 . . . However, we are not concerned here with the condition of the colonies. The only thing that interests us is the secret discovered in the new world by the political economy of the old world, and proclaimed on the house-tops: that the capitalist mode of production and accumulation, and therefore, capitalist private property, have for their fundamental condition the an-

⁴¹ The edition that Marx used was a two volume edition printed in London in 1853. A year later a one volume edition appeared anonymously in the United States (New York, Harpers).

48 This last sentence is a quotation from Wakefield, Vol. I, p. 247.

⁴² This discussion appears in Chap. XXXIII, Vol. I, of Capital. (Edited by Engels and revised by Untermann from the 4th German edition; translated by Moore and Aveling; 3rd edition; Chicago, Kerr, 1919 reprint.) Wakefield relates the story of a Mr. Peel who took from England to Swan River, West Australia, means of subsistence and of production to the amount of £50,000, and also 3000 working-class people. Once arrived at his destination, "Mr. Peel was left without a servant to make his bed or fetch him water from the river." The presence of free land freed the worker from the control of the capitalist.

nihilation of self-earned private property; in other words, the expropriation of the labourer.44

And explicitly what Marx means by the "expropriation of the labourer" is fairly evident in these sentences:

The expropriation of the agricultural producer, of the peasant, from the soil, is the basis of the whole process [i. e., of the development of the capitalist system]. To this extent the monopoly of landed property is an historical premise, and remains the basis of the capitalist mode of production, just as it does of all other modes of production, which rest on the exploitation of the masses in one form or another.

Further evidence that Marx was singularly impressed by the part that land monopoly plays in the development and maintenance of capitalistic exploitation is found in his severe criticism of the Gotha program of 1875, drawn up at the Gotha conference which sought to unify the Marxians and the followers of Lassalle. His criticism of the program appeared in a letter to Bracke from London, May 5, 1875, which was reprinted in the *International Socialist Review* of May, 1908. Marx criticizes specifically two statements of the program, one that, "labor is the source of all wealth and of all culture," and the other, "in Society of to-day the means of labor are monopolized by the capitalist class. The consequent dependence of the working class is the cause of every form of misery and servitude." His criticism of these statements is:

Labor is not the source of all wealth. Nature is just as much the source of use-values (and of such, to be sure, is material wealth

 $^{^{44}}$ Op. cit., Vol. I, pp. 841–842, 848. (All italics in these quotations and in the following ones are mine.) 45 Ibid., p. 787.

⁴⁸ Ibid., Vol. III, p. 723. (Vol. III in this edition is the Untermann translation from the first German edition, edited by Engels.)

47 The letter appears in Marx's posthumous papers, edited by Engels, in 1891.

48 Vol. VIII. No. 11.

composed) as is labor, which itself is but the expression of natural forces, of human labor power. That phrase is found in all children's ABC books and is right in so far as it supposes that labor makes use of the objects and means belonging to it. . . . In the society of to-day, the means of labor monopolized by the landed proprietors, [the] monopoly of landed property is even the basis of monopoly of capital, and by the capitalists. In the passage in question the international statute names neither the one nor the other class of monopolists. It speaks of "Monopoly of the means of labor," i. e., of the sources of life. The addition, "source of life" shows sufficiently that the land and the soil is included in the means of labor. The improvement was brought forward because Lassalle, for grounds now generally known, attacked only the capitalist class, not the landed proprietors. In England the capitalist for the most part is not even the owner of the land and soil upon which his factory stands.49

There are a few other general comments of Marx on landed property which may be mentioned here; some of his more specific statements will be reserved for a later discussion of surplus-value.

From the point of view of a higher economic form of society, the private ownership of the globe on the part of some individuals will appear quite as absurd as the private ownership of one man by another. Even a whole society, a nation, or even all societies together, are not the owners of the globe. They are only its possessors, its users, and they have to hand it down to the coming generations in an improved condition like good fathers of families. . . That it is only the title of a number of persons to the possession of the globe which enables them to appropriate a portion of the surplus labor of society to themselves, and to do so to an increasing extent with the development of production, is concealed by the fact that the capitalized rent, this capitalized tribute, appears as the price of land, that the land may be sold like any other article of commerce. 50

Private property in land is then the barrier which does not permit any new investment of capital upon hitherto uncultivated

 $^{^{49}}$ Pp. 643-646 of the magazine article mentioned above. 50 Capital, Vol. III, pp. 901-902; 901.

or unrented land without levying a tax, in other words, without demanding a rent, although the land to be taken under cultivation may belong to a class which does not produce any differential rent, and which, were it not for the intervention of private property in land, might have been cultivated at a small increase in the market price.⁵¹

Thus they (landowners) pocket the result of social development brought about without their help; they are born to consume the fruits of the earth.⁵²

The capitalist performs at least an active function in the development of surplus-value and surplus products. But the landowner has but to capture his ground rent created without his assistance.⁵⁸

It may be recalled also that the first of the ten measures suggested for the achieving of communism in the *Communist Manifesto* was the "abolition of property in land and the application of all rents of land to public purposes," and further, that the class struggle was considered to have originated only after "the dissolution of primitive tribal society" with its "holding land in common ownership." ⁵⁴

⁵⁴ Pp. 41 and 8 of the Kerr edition, Chicago, 1915.

⁵¹ Ibid., pp. 884-885.

⁵² Ibid., pp. 726-727.

⁵⁸ Ibid., p. 748. (Marx quotes Dove, the anticipator of George, in this connection.)

This quotation from Bebel may also be in point: "One of the chief means of labour's production in manufacture and exchange, is the soil as basis of labour and fundamental condition of all human existence and society. Society reappropriates at the most advanced stage of its development that which belongs to it from the beginning. We find that common property in land existed among all peoples of the earth, as soon as they attained a certain degree of civilization. This common possession was the basis of every primitive society, which would have been impossible without it. Not until the appearance and development of the various forms of supremacy was the common property put an end to and usurped as private possession, an act which gave rise to the most violent struggles, which have continued down to our time. The theft of the land and its conversion into personal property was the origin of bondage, which has passed through all possible phases from slavery to the 'free' workman of our day, till at length, after a development covering thousands of years, the land will be reconverted into common property by the bondsmen themselves. The recognition of the importance of the land for the existence of the race has made it the chief object of contention in all the social struggles of the world." Woman (translation of H. B. Adams Walther; London, William Reeves, undated), pp. 200–201.

Now, there is no intention here of placing too much emphasis upon such fragmentary quotations from socialist writers. It is clearly realized that they are occasional rather than key remarks, and also that they may be interpreted—as undoubtedly socialists would insist—simply as expressions of a particular form that capitalism has taken, since for socialists as well as for the more orthodox economists, land and capital are not to be dissociated. Socialists would argue that land, while indeed a necessary element in production and one therefore that demands socialization, is none the less-at least in modern society--a subdivision of the general capitalist system, and cannot be isolated from its relation to capital. They admit, led by Marx, that in the colonies where land is actually "free," capital could have no power to oppress, but they cannot accept the suggestion that society's collection of the economic rent of land would bring about any significant return of "free" land in an already developed capitalistic community. (Of course, the one contribution that George felt he offered towards the solution of the land problem was precisely the discovery of how indeed to make the land "free" even if it were not actually in a virgin condition such as in the colonies Marx speaks of. For George free land did not mean the vast untrod ranges of newly discovered continents; it meant that the exploitative power of land, which rests in its value or economic rent, be removed from private control. Then, for all questions involving the production and distribution of wealth, land would really be "free," although it might indeed be under a skyscraper.)

The followers of George, on the other hand, interpret this type of quotation from socialist writers as an almost inspired recognition of the elemental character of land, and they believe that the unpardonable tendency to fuse land and capital has blinded socialism to the real cause of economic exploitation. Shaw's declarations, for example, that the "private ap-

propriation of land" is "the source of those unjust privileges against which socialism is aimed" and that "the socialisation of rent would mean the socialisation of the sources of production" is for them clear evidence that socialism has recognized the evil at the root of all social maladjustment, but has then turned its back.

But the point that must be admitted here is that socialism's interest in the land question is largely incidental and gratuitous, and no attempt will be made to attach any unwarranted importance to this type of contact between the followers of Marx and those of George. It is one of those contacts that, as suggested in the opening of the present chapter, is but a surface similarity, and really indicates a fundamental cleavage in economic doctrine. It must be evident that land can have only a superficial concern for socialism, and for George's adherents this damning of the problem with the faintest of praise and the slightest of attention is even more painful than the positive ignoring of their proposals. Socialism can see in the suggestions of George only a limited and distorted conception of industrial society; for it, he "does not go far enough" and, as Shaw states, socialists are unable "to stop where George stopped."

Thus, the seeming contact between George and socialism in their joint recognition of the importance of the land question must give way to a realization of the fundamental economic contrast that has set them in opposite directions.⁵⁵

socialism and the contentions of George, the following may be helpful: The fullest and most scholarly interpretation of the question from the Georgist point of view is contained in Max Hirsch's Democracy Versus Socialism (London, Macmillan, 1901). The socialist position is perhaps most effectively presented in A. M. Simons's Single Tax Versus Socialism (Chicago, 1899), and in the pamphlets of Laurence Gronlund, "The Insufficiency of Henry George's Theory" and "Socialism versus Tax Reform, an Answer to Henry George" (both published in New York in 1887). The work of Gronlund was directly connected with the political dispute between George and the socialists that resulted from the campaign of 1886; that dispute may be followed in the columns of George's Standard, especially

It will be necessary to discuss briefly only one or two essential doctrinal distinctions between the two movements, since these differences will be seen to be crucial and unavoidable.

The contrast between George and socialism can be traced ultimately, of course, to their differing statements as to where the source of exploitation in the distribution of wealth is to be located. Does the oppression of the producer of wealth arise from the private control of capital or from the private ownership of land? The socialists' gravest objection to the work of George is clearly based upon what for them is his essentially deficient conception of the origin of monopoly. They will readily grant that the private ownership of land is an evil and that the socialist State will collect the unearned increment of rent, but they insist that such a move is nothing more than an item in socialist administration, and not a measure upon which to found a permanent social reform. The landowner they class as a capitalist, and consequently the ownership of land is only one of the many subdivisions of the more inclusive control of all the instruments of production. They would lump together all the material elements of production, including land, and thus reach a simple dichotomy of capital on the one hand, and labor, which is dependent upon capital, on the other. From this general twofold division of the means of production, there arises a twofold division in the distribution of wealth: There is that which the capitalist pays the laborer as wages and that which he illegitimately keeps for himself, the "surplus-value" created—as is all value—by labor, but withheld from its rightful possessor because of the private control of capital.

during the summer of 1887. George debated publicly with prominent socialists on different occasions, the more important being with Hyndman, Gronlund, and Schevitch; accounts of these may be found in the pamphlet collection in the New York Public Library. In any of the larger texts on socialism may be found brief reviews of the contrast between Marx and George.

This "surplus-value," Marx's Mehrwerth, 56 is distributed among the nonproducing capitalist class in the form of interest, profit and rent, which, instead of being the returns to fundamental elements of production, are merely the different channels through which is poured the value stolen from the laborer. For example, as Marx wrote, "all ground rent is surplus-value, the product of surplus labor," and, "private property in land does not create that portion of value, which is transformed into surplus profit, but it merely enables the landowner, who has possession . . . to coax this surplus profit out of the pocket of the industrial capitalist into his own." 57 This competition between the industrial capitalist and the landowner for their respective shares of the surplus value 58 is the reason, therefore, why "such movements as

⁵⁶ A schematic discussion such as this cannot enter into an analysis or a history of the interesting doctrine of "surplus-value," although it may be suggested that among socialists themselves the conception has come into disfavor. Bertrand Russell holds, strangely enough, that the chief merit of the doctrine is its "emotional" significance: "This doctrine [of surplus value] is very complicated, and is scarcely tenable as a contribution to pure theory. It is rather to be viewed as a translation into abstract terms of the hatred

with which Marx regarded the system that coins wealth out of human lives, and it is in this spirit rather than in that of disinterested analysis, that it has been read by its admirers." (Proposed Roads to Freedom, p. 38.)

57 Capital, III, pp. 743; 758. The discussion of rent, which comprises Part VI on the "Transformation of Surplus Profit into Ground-Rent," opens with the statement that "the analysis of landed property in its various historical forms belongs autified the limits of this rent. We shall conversely the control of the control historical forms belongs outside the limits of this work. We shall occupy ourselves with it in this place only to the extent that a portion of the surplus value produced by industrial capital falls into the hand of the landowner."

(P. 720.) Marx devotes the concluding chapters of Vol. III to a fairly detailed discussion of ground-rent; see especially pp. 900-932.

The follower of George argues that it is ultimately the landowner of the capital to a graphs that the laborary and the capital is because his

who is able to exploit both the laborer and the capitalist because his monopoly is the more fundamental. This point seems almost to be admitted by Marx in these lines: "The peculiarity of ground-rent is rather that in proportion as the conditions develop, in which agricultural products develop as commodities (values), and in which they can realize their values, so does also property in land develop the power to appropriate an increasing portion of these values, which were created without its assistance, and so does an increasing portion of the surplus-value assume the form of ground-rent." (*Ibid.*, p. 749.) ". . . Rent, then, forms a portion of the value, or more specifically of the surplus-value, of commodities, and instead of falling into the hands of the capitalists, who extract it from their labourers, it is captured by the landlords, who extract it from the capitalists." (*Ibid.*, p. 897.)

that represented by Henry George," John Spargo states, "fail to vitally interest the working class," for workers can have no interest in how the "surplus value is divided among landlords, money lenders, creditors, speculators, and actual employers." ⁵⁰ Labor is the creator of all wealth and under a socialistic system would enjoy all wealth, for the private capitalist would disappear, together with the "landlords, money lenders, creditors, speculators," and their various divisions of the unearned surplus-value. Thus socialism includes land as capital, the landowner as one of the mischievous tribe of capitalists, and rent as merely an arbitrary and more or less convenient division of the loot of surplus-value.

George saw no such similarity between land and capital. Land was a "given" factor, the basic element not only of that production of wealth which technically interests economics but of all life itself. (This "land," it must always be noted, and particularly emphasized in any discussion involving socialism, comprises the entire natural environment of man. Natural resources as well as sea or air were economically "land." Land too often has for the socialist no connotation other than that of the prairie or the farm or agriculture. Factory sites, railroad right-of-way franchises, New York City building lots, he is likely to neglect, and paradoxically enough, it is precisely this nonagricultural "land" with which George was particularly concerned.) Land was the Earth—and "the Earth" seemed to George a charmed phrase, one that summoned land out of the dismalness of economics into the more gracious company of the planets. Land was a cosmic as much as an economic element. Man and life were meaningless without land; man was a very part of the earth. As George wrote, land is

"Private land has nothing to do with the actual process of production. Its rôle is confined to carrying a portion of the produced surplus-value from the pockets of the capitalist to its own . . ." (*Ibid.*, p. 955.)

59 Socialism (New York, Macmillan, 1919), p. 268.

... the habitation of man, the storehouse upon which he must draw for all his needs, the material to which his labor must be applied for the supply of all his desires; for even the products of the sea cannot be taken, the light of the sun enjoyed, or any of the forces of nature utilized, without the use of land or its products. On the land we are born, from it we live, to it we return again—children of the soil as truly as is the blade of grass or the flower of the field. Take away from man all that belongs to land, and he is but a disembodied spirit.⁶⁰

Land and labor were the economic rendering of the more metaphysical concepts of nature and man. There was nothing that was not produced by their interaction. Wealth, the economic name for the results of man's productive efforts, was basically land, transformed by the magic of labor into the subject of economics.

In such a schematization of the elemental factors of production, it is clear, as has been given exposition before, that capital could be no more than incidental. Capital itself was already a creation of labor working upon land. It was wealth, and while a necessary and legitimate instrument in economic life, was, for George, a product and not a fundamental determiner of man's energies. He states:

Land and labor are original and necessary factors. They cannot be resolved into each other, and they are indispensable to production, being necessary to production in all its modes. But capital is not an original factor. It is a compound or derivative factor, resulting from the union of the two original factors, land and labor, and being resolvable on final analysis into a form of the active factor, labor. It is not indispensable to production, being necessary, as before explained, not in all modes of production, but only in some modes. Nevertheless, the part that it bears in production is so separable, and the convenience that is served by distinguishing it from the original factors is so great, that it has

⁶⁰ Progress and Poverty, p. 293.

been properly recognized by the earliest and by all subsequent writers in political economy as a separate factor.⁶¹

The statement that capital "is not indispensable to production" may seem ridiculous to socialists and to nonsocialists as well. Yet perhaps the very strength of George's argument is that he did limit the necessity of capital to "some modes" of production. It is true certainly that even in the most primitive economy there is always "capital," some elementary form of tool, but that is not what is meant by the discussers of "capitalistic production." They have in mind the modern system of capitalism, which, just as present-day "scientific" socialism, is a product of the Industrial Revolution of the early nineteenth century, and which is distinguished, especially by socialists, not only from the late feudal and manor systems but also from the domestic manufacturing régime of the eighteenth century. In the system of modern capitalism George, of course, recognized capital to be indeed indispensable, but it was his merit (or, if regarded from another point of view, his ludicrous mistake) to base his economy, not upon a particular form of production, as has been the "scientific" method of socialism, but upon what for him were broad and permanent foundations. Thus the

The Science of Political Economy, p. 406. (See also supra, pp. 99-105.)
Therefore, George could argue that capital monopoly depended upon land monopoly, and with the breaking of the latter through his proposals, the former must be undermined. And perhaps it has not been sufficiently recognized by the socialist that there is such a functional connection between these two forms of monopoly. This is not simply the theoretical dependence mentioned here, one that has been elaborated in another connection, but a more ad hoc dependence. That is to say, the monopoly of capital cannot stray very far from natural resources. No matter how complete may be the capitalistic control of machinery and all the actual instruments of production, any significant separation of that "capital" from mineral, timber, fuel, railroad "land," would be fatal to monopoly. The very close connection that our "capitalistic" monopolies maintain with land in all its forms is more than suggestive. It seems that, Antæus-like, capital derives its strength from land, and it would appear that the breaking of land monopoly—which must follow once the value of land has been socialized—might operate upon the very foundations of capitalistic monopoly.

machine age could not bewilder him; he neither cursed nor worshiped capitalism. His postulates made him unable to view the capitalist system save as a "mode" of production, a mode which, while certainly not temporary or of any shorter life than that of modern culture itself, was nevertheless no more exempt from the dominance of the economic elements of land and labor than was any other more primitive method of producing wealth. Capital, once again, was produced wealth used for the purpose of producing more wealth, and whether it was a stone axe in the hands of a Neanderthal worker or a great Pennsylvania steel plant, it was still a technique for the transforming of land into wealth through labor.

The attack upon capitalism was for him only the modern expression of the perennial protest against want and misery. Socialism perhaps was applicable to nineteenth and twentieth century conditions, but what of the evils of the feudal system, or of Roman society, or even of the problems of any future civilization? There could be no harmony in any social order which considered the basis of all production, of all life, as something to be privately exploited. The control of land, therefore, and not that of capital must be regarded as the source of economic injustice, was George's argument. Land was the primary, all-inclusive element; capital was essentially secondary, and a functional dependent upon land.

This statement of the differing "historical" emphases of George and of socialism—socialism, that is, considering itself appropriate for a "capitalistic" order, whereas his own proposals, George believed, applied to all possible forms of economic structures—must suggest what is possibly the most radical point of departure between the two movements. That divergency is nothing less than the contrasted ap-

proaches of each to the province of social reform; that is to say, the two economic programs have distinctly contradictory conceptions of what might be termed the metaphysical justification of social reconstruction. Modern scientific socialism does not consider itself as some extraneous reform that is to be foisted upon an unwilling social system, but as the very product of that system. It has definitely insulated itself from the ideas of the earlier Utopian and Christian socialists; no longer does it reach back to Plato or to Jesus as the first of the communists. The socialisms of the late eighteenth and early nineteenth centuries in France and England, it considers as well-meaning but ill-advised philanthropies which interpreted the evils of society as "arbitrary deviations from the eternal principles of 'natural law,' justice and reason," and which quite fallaciously believed that their agitation "seemed equally justified in the eighteenth as in the nineteenth century, and in this country as on the old continent." 62

Scientific, historical socialism recognizes that instead of any such conception it must be considered as a peculiar yet inevitable companion of modern capitalism, and that without the Industrial Revolution and the development of contemporary machine production it would be almost meaningless. It may be wearisome to retail this familiar doctrine of economic determinism, but it is essential in indicating the fundamentally different foundations upon which socialism and Georgism erected their systems. Socialism willingly admits that its very nature makes it an opportunistic movement, a definitely traceable historical event, and not a universally valid dogma. It "claims to be a theory growing out of modern economic conditions, and relying for its realization largely upon the steadily growing concentration and socialization of industry." ⁶³ It is "realistic," "scientific," "historical,"

⁶² Hillquit, History of Socialism in the United States, pp. 18, 136.
63 Ibid., p. 253. And again: "The modern socialist movement presupposes the existence of the modern factory system in a high state of development." (P. 136.) Such quotations are felt to be representative of modern

"evolutionary"; it holds that its theory is nothing more—and nothing less—than an accurate interpretation of social and economic evolution, Marx, as socialists feel, doing for economics and sociology what Darwin did for biology.

Marx himself, it may be recalled, never urged socialism as any universal panacea or as anything that mankind must be persuaded to adopt; it was rather an inescapable phase of industrial development, and Marx felt that his work was largely one of exposition and not of propaganda. And scientific socialism, following his example, has always discountenanced any ideas of perfect states and eternal principles of social order as illusions; like Marx, it has no patience with Utopias. The scope of modern socialism is instead frankly limited to modern conditions; it is inextricably linked up with nineteenth and twentieth century industrial development. In this very limiting of its program socialism has found its strength.

The horizons of George's economic philosophy, it must be evident, enclose a vastly wider sweep of territory than that embraced by modern socialism. His system was ambitious and confident, and limited itself only to the realization of the perfect state. Whereas socialism denies a natural order and the eternal operation of universally valid natural laws, at least in economics, George based his entire reasoning on just such a conception. His fundamental premises were for

socialistic thought. (See following pages, however, for reference to work of Norman Thomas.) But it does not appear necessary to document extensively these most general tenets of historical socialism—even though it is fully realized that socialists very seldom present unified testimony—since they are the very essence and heart of the "historical" approach.

64 Professor Simkhovitch states that "it must be borne in mind that

⁶⁴ Professor Simkhovitch states that "it must be borne in mind that Marx did not advocate socialism because he believed the socialist state to be good. Socialism, in his opinion, was simply inevitable because of the economic tendencies inherent in capitalism. Were not such tendencies at work, socialism would have been an empty Utopian dream, utterly lacking an economic basis and hence impossible of realization." Marxim Versus Socialism (New York, Henry Holt, 1913), Introduction, p. viii. Hillquit writes: "The future of human society must be looked for, not in the ingenious schemes or inventions of any social philosopher, but in the tendencies of economic development." (Op. cit., pp. 19-20.)

him justified only by this necessary functioning of a natural order, and it was precisely this belief, i. e., that his ideas were an integral part of a universal scheme of things, that made him apply his proposals to all social maladjustment. While socialism was content to confine itself to modern capitalistic conditions. George felt that his concepts were not circumstanced by any peculiar set of sociological phenomena; they were as apposite to the California of the gold rush as to the industrial centers of England, as binding upon mediæval manors or Roman latifundia as upon a city of factories. It was his fervent belief that a recognition of the natural order and a remoulding of human institutions so as to harmonize with it, would bring to pass the perfect state—and nothing else could achieve that goal. Socialism, for George, was unable to conceive of any Utopia simply because it was "more destitute of any central and guiding principle than any philosophy" he knew of; it proceeded "to make a world for itself as disorderly as that which Alice in Wonderland confronted," a procedure that was an obvious result of its fatal facility for "studying details without any leading principle." 65

George himself did not devote any specific attention to the historical justification of modern socialism, but it is not difficult to understand what his argument would have been. It would be a feeling that the historical interpretation of socialism explains but does not validate its doctrines. While perhaps challenging some of the materialistic conceptions of socialist historians, George could not deny the obvious fact that present-day socialism, both theoretical and practical, is a direct product of present-day capitalistic society, but that, for him, would be nothing more than the statement of a truism. Tracing a theory to its origin, and synchronizing it with a significant era in human development, is interest-

⁶⁵ The Science of Political Economy, pp. 198-199.

ing, instructive, even "scientific," but hardly of value in appraising the essential worth of a doctrine—that would undoubtedly have been George's contention. His followers realize that some form of socialism seems inevitable,66 but that historical "justification" appears as only one more evidence of the pathological condition of society; to them it is no argument for the soundness of socialistic proposals. If socialism is a necessary by-product of the modern industrial state, so also, the argument runs, are poverty and misery and disease, and for Georgists the attempt to establish a social reform upon a decaying foundation seems surely more deserving of the ridicule that has so often been heaped upon their own heads for endeavoring to base a lasting reform upon some vague "natural order." They see in socialism perhaps an eventual stage of social organization, but one that, nevertheless, is heir to the absurdities of present-day society, and so they are not at all impressed by economic determinism even though it bear the magic name of evolutionary. Socialism for them is not "rational" even if it is historical.

In other words, socialism's efforts to secure the privileges and immunities accorded to science and to a philosophy of history would be sharply questioned by George. Why support socialism simply because it is bound to come? Why not test socialism by certain canons of economics, standards which George would insist (not merely admit) were the products of a "logical" approach to the science? Socialism,

⁶⁶ It does appear that some form of socialist organization seems certain to come into existence, even though, as in this country, it may originate from the "wrong" end of the economic structure. A few of the followers of George who accept the inevitability of socialism, believe that their own reform cannot be achieved under present conditions, but must wait until socialism has indeed been ushered in by the process of capitalism. That is, it is felt by some that there must be a transitional stage between present economic conditions and the introduction of George's proposals, a transitional stage which would take care of the present concentration of capital (a concentration, however, which they believe depends ultimately upon the basic monopoly of land).

he would say, is pathological—just as are all the economic phenomena of the present order—whereas the goal of an economic philosophy is that of discovering a sound social order; it is not that of detailing symptoms. Thus, there is here a difference in ideational emphasis that seems perhaps the most fundamental barrier between the teachings of Marx and those of George. A difference between historical and "rational" science, between description and valuation, between, if one wills, realism and idealism, is the essential contrast between these two approaches to economic reconstruction.

At this point it seems necessary to recognize the probability of an objection, to the effect that all this discussion of "scientific" or "historical" socialism has been concerned with a man of straw. It has been a discussion, such an objection might state, that still deals with an old-fashioned Marxianism, long since discarded; an exposition that savors. perhaps, of atavism or resurrection. Contemporary socialism, at least American or English socialism, it might be shown. must be considered as something more direct and more utilitarian than the doctrinaire Continental school; it is not Hegelian but pragmatic. 47 And such an objection may not be out of place. Certainly the recent work of Norman Thomas 68 is a most ambitious attempt to present an acceptable philosophy of a "democratic collectivism," one that shuns Marx, communism, abstract theory, and the doctrine of the dominance of the State over the individual. And just as certainly. therefore, does his work offer perhaps the most serious obstacle that any nonsocialist of right-wing tendencies will have to

⁶⁷ For this pragmatic interpretation of contemporary socialism see especially the work of W. E. Walling.
⁶⁸ America's Way Out: A Program for Democracy (New York, Macmillan, 1931), and As I See It (New York, Macmillan, 1932).

face. Persuasive, intelligent, sober, Mr. Thomas's book proffers to the exponents of the "new" capitalism, or to any of the other apologists for our malformed economic system, a crushing indictment that must force all but the most chronically hypocritical or incorrigibly stupid defenders of our weary economic world to a new inventory of anti-red arguments. No longer can the horrendous cries of "Communism," or "Syndicalism," or even "Doctrinaire Marxist Theory" be raised as rallying slogans by the fearful, and no longer can the Russian bogy-man or the "foreign" radical be set up to be knocked down valiantly by the defenders of "American" liberty. Instead, the socialism of Mr. Thomas seems as "American," as "democratic," and as "common sense" as any hard-headed capitalist could demand.

There is no intention here, however, of entering into the internecine strife of the socialists, no intention, that is, of attempting a selection of any socialist doctrine as more typical or more acceptable than any other. The sole reason for mentioning Mr. Thomas, or for indicating that communism and Marxism need not be made synonymous with contemporary socialism, is simply to recognize the recent trend of, at least American, collectivism. That recognition, moreover, is introduced in order to meet the possible objection just raised, i. e., that contrasting the approaches of George and Marx to economic reform is presenting an antithesis that, as far as socialism is concerned, is no longer appropriate. Now, the point that will be made in this connection is that despite Mr. Thomas's criticism of economic determinism, and despite his most gracious appreciation of the work of Henry George, 69 the same philosophic objection

⁶⁹ "Of all forms of private ownership landlordism to-day is obviously least socially defensible and land rent represents the clearest drain out of the stream of natural wealth by and for those who do nothing to earn it. Henry George's statement on land and rent remains the most eloquent eco-

that the follower of George applies to the Marxian may be applied also to "democratic collectivism." That is the criticism that has been presented in these last few pages: Socialism is essentially a parochial reform, one applicable perhaps to a system of developed and organized capitalism, but one which commands no recognition as a program of general social reconstruction. It may derive a narrowly pragmatic strength from its concentration upon the problems of a machine age, yet it seems therefore a technology rather than a philosophy. Such a criticism would suggest that a comprehensive economic reform cannot be limited to any single set of conditions; it must expand its horizons so as to include the very sweep of human culture itself. Mr. Thomas definitely restricts his socialist philosophy to the modern machine age. "This machinery of ours is something new

nomic indictment and plea in the English language." (America's Way Out, p. 170.) Mr. Thomas goes on to discuss most favorably the application of a tax upon land values (pp. 170-183), although, of course, he rejects "the single tax as a panacea." Even in that more theoretical realm of the distinction between land and capital, Mr. Thomas suggests many statements which almost verge upon the position of George, statements which, as has been mentioned before, seem so perplexing to the single taxer when they come from the socialist. ". . . Land cannot be appreciably increased or decreased and the landlord takes now all the traffic will bear; that is, all that he gets out of his relative marginal advantage. Buildings can be increased or decreased in size and attractiveness; left to themselves they depreciate in value. Land cannot be increased or decreased; it is permanent in extent and solidity. Although a little land has been reclaimed from the sea or desert by the social action of building dykes or irrigation ditches, land in general is not and never was a man-made product. Land, therefore, has no 'cost' in the sense of a supply price of making or reproducing it, but only in the sense of the 'relative value members of the community attach to possessing it.'" (Ibid., p. 174.) "Since land is limited in amount and the use of it is necessary for life, since it is of uneven fertility and uneven convenience, the owners of land can collect rent for its use in varying amounts depending on its marginal desirability. These differing land values, so far as they are of human origin, are created by society. . . . This envied wealth means no addition at all to the sum of available goods. A Ford makes something. An Astor takes tall by land ownership of what other men make. Profits from land represent a drain on the productive enterprise of men. Professor John Ise estimates that this drain to private landowners out of the life-giving stream of wealth. a drain due not to improvements on land but to speculation in land and rents, exceeds fifty billion dollars. . . . From land and natural resources mankind has extended private ownership to great industries and services which are in reality social creations." (Ibid., pp. 26-28; italics mine.)

under the sun. And the failure to recognize it as such impairs the value of many brilliant and profound attempts . . . to read our future in the light of our past." 70 The machine may indeed be new, but not so are economic exploitation, social misery, injustice or tyranny. To Such a limitation to contemporary conditions may appear to contain the very power of industrial collectivism, but it is a power that sacrifices the perspective and completion and finality that George saw in his own system. In other words, an economic reform based solely upon the phenomenon of capitalism, this type of criticism would argue, can never possess the fundamental solidity and the broad scope that lie in an attempt to solve the larger and more basic land problem.

For that reason, George proposed his own economic philosophy of history, an ambitious effort to achieve an interpretation based upon his own formulation of the social structure. 12 It was a philosophy which did not confine itself to any specific type of culture or to any single economic system. It may have been rash, but certainly it was not provincial. The land has been privately owned and exploited in all significant civilizations, and therefore George's economic determinism was bounded only by the limits of all civilizations. It was not a philosophy of capitalistic history. but one of history itself. That is why George could see in capitalism only one "mode" of production, and why he felt

⁷⁰ America's Way Out, p. 1.
71 It is true that perhaps the most telling point that is made in his introductory chapter on the machine age is Mr. Thomas's demonstration that there is no longer any excuse for poverty. He feels that in all past economic systems there may have been some technological reason for economic nomic systems there may have been some technological reason for economic privation, but any such apology for former misery as still applicable to present conditions can no longer be patiently heard. Still, it is believed that the magic of "technology" has not permitted Mr. Thomas to appreciate sufficiently the nontechnical, "social" causes which have operated to produce past misery just as they now underlie contemporary poverty.

"2 The tenth book of Progress and Poverty on "The Law of Human Progress".

ress." See infra, pp. 523 ff, for a fuller discussion of such a philosophy of history.

that the exploitation against which the socialist rightfully raged was but the contemporary manifestation of a perennial injustice. Whether George's far-flung interpretation was an element of strength or of serious weakness, it is not in point here to discuss. The only occasion for this brief exposition is to suggest an illustration of the divergency between George's economic philosophy and that of socialism. The socialist finds the justification for his proposals in a specialized approach to the history of the capitalist era. George appeals to the general process of civilization itself, and finds in its operations a fundamental maladjustment. One, again, is "realistic," the other "idealistic."

This immediate discussion has been directed to tracing one of the major ideational contrasts between the philosophies of socialism and of land value taxation, the contrast between the differing "historical" justifications that each movement presents. One program looks to the dimension of capital as the locus of unjust economic privilege, and hence is peculiarly concerned with the complexities and problems of contemporary industrialism; that concern of socialism, moreover, is one that undercuts the various internal strifes within its ranks, e. g., the conflict between an economic determinism which sees in the socialist proposals an inevitable result of capitalistic organization itself, and a "planned" collectivism that offers a pragmatic instead of a fatalistic raison d'être. The other program looks to the element of land, and therefore sees nothing unique in capitalism except perhaps the aggravated and spectacular misery that it discloses, a misery, however, which it believes to be rooted in a subsoil beneath the capitalist layer; that subsoil, of course, is the private appropriation of land values. But there are other crucial differences that have effected a separation of these two reform movements, and, while this does not pretend

to be a complete exposition of such fundamental contrasts, it is felt that it is necessary at least to mention several further typical divergencies.

It has been suggested that the collectivism of Mr. Thomas is a "democratic" one; it still can speak of civil liberty and of the individual, if not of "individualism." In this point, however, Mr. Thomas is making a rather courageous concession, since the traditional political philosophy of socialism recognizes no "individual," much less any expression of individual rights. That "social" emphasis is familiar enough, and it was that emphasis of socialism against which Henry George's "individualism" reacted most vigorously.

George's conception of the relation between society and the individual ⁷⁸ was one which held them to be indeed correlative and complementary, but which did not therefore consider them as any the less independent. The social organism was, like the human organism, a union of two independent elements, neither of which could be subordinated or disregarded; it was a union of the conscious and unconscious, of the controlled and the automatic. To the Leviathan of Hobbes, ⁷⁴ George added his Greater Leviathan, the former being the conscious political commonwealth definitely controllable by will and intelligence, the latter being the unconscious free play of individual activity subject only to the laws of human association. In George's words:

Looking on the bodily organism as the analogue of the social organism, and on the proper functions of the State as akin to those that in the human organism are discharged by the conscious intelligence, while the play of individual impulse and interest performs functions akin to those discharged in the bodily organism by the unconscious instincts and involuntary motions, the

⁷³ A much more suggestive distinction than this usual one between "individual" and "social" is the differentiation between "private" and "public" that Professor Dewey has emphasized. (See especially Chap. I of *The Public and Its Problems*, New York, Henry Holt, 1927.)

⁷⁴ See infra, p. 526. n. 3.

anarchists seem to us like men who would try to get along without heads and the socialists like men who would try to rule the wonderfully complex and delicate internal relations of their frames by conscious will.75

The analogy may perhaps be involved and forced, as most analogies are, but it does indicate a definite approach that allowed George to retain his cherished doctrine of individualism and at the same time to accept the evident domination of a social order. These two realms of human activity one, the individual, economic, automatically functioning order; the other, the social, political, regulated system of the State—merged at their boundaries, but, for George, they never could be wholly fused; they were as a pair of gearwheels which remain separate bodies, although their cogs interact as a unit. Socialism was an illegitimate attempt. therefore, to join two distinct spheres of action: the socialist State was a machine and not an organism, "a great machine whose complicated parts shall properly work together under the direction of human intelligence," and it did not see "in

⁷⁵ The Condition of Labor, his open letter to Pope Leo XIII, in The Land Question, Works, Vol. III, p. 57.

The Despite George's "individualism," his recognition of the growth of socialization in government was clear and largely sympathetic. In Protection or Free Trade he wrote: "In socialism as distinguished from individualism there is an unquestionable truth," that man is "a social being, having desires that harmonize with those of his fellows, and powers than can be brought out only in concerted action. There is thus a domain of individual trips and a domain of individual strips. action and a domain of social action—some things which can best be done when each acts for himself, and some things which can best be done when society acts for all its members. And the natural tendency of advancing civilization is to make social conditions relatively more important, and more and more to enlarge the domain of social action. . . . Society ought not to leave the telegraph and the railway to the management and control of individuals." (Pp. 303-304.) And again: "There is this truth—and it is a very important one—in socialism: That as civilization advances, the functions which pass into the proper sphere of governmental control become more and more numerous, as we see in the case of the railroad, the telegraph, the supplying of gas, water, etc., but this is all the more reason why we should be careful to guard against governmental interference with what can safely be left to individual action." (In the Standard, July 30, 1887.) Norman Thomas sees that "the followers of Henry George themselves usually add to a plea for the single tax a recognition of the importance of public ownership of some public utilities." (America's Way Out, p. 171.)

the social and industrial relations of men an organism which needs only to be suffered to grow." The ideal of socialism is grand and noble" and "possible of realization," but it is a state of society that "cannot be manufactured—it must grow . . It can live only by the individual life of its parts." Individualism" and "socialism" were correlative, necessary and inevitable complements, and George stated that he could see as little sense in making a basic contrast between the two approaches as he could in distinguishing "centrifugalism" from "centripetalism" in planetary discussions.

George's insistence that economic processes functioned automatically through the "unconscious free play of individual activity" introduces clearly enough the classical concepts of "economic men," laissez-faire, free competition. There will, of course, be no general discussion of such familiar topics here, and no unnecessary statement of that anachronism of laissez-faire which is so well recognized by orthodox as well as socialist economics. (Contemporary discussion, in fact, seems no longer to revolve about individualism versus collectivism, as about the merit of different types of collectivism.) But a point that must be raised in this connection is one that challenges socialism's severe criticism of the acceptance by George of a doctrine of "free competition." It must be made clear that George's approach to competition was in no way sympathetic with that specious, fictitious competition that has made the very word almost a travesty. George agreed with the socialist that the "present competitive system" must tend to degradation, insecurity and disaster; but it was a pathological system. That is, Sidney Webb's statement that "an almost complete industrial individualism" had been tried and found wanting could not

⁷⁷ The Condition of Labor, pp. 61-62. ⁷⁸ Progress and Poverty, p. 319.

have been accepted by George. Instead, the fact was that real competition had never existed, legitimate laissez-faire had never been given a trial. The sham "hands-off," deviltake-the-hindmost policy was as counterfeit as any of the distorted approaches to economics which ignored the fact that the earth was in the control of a privileged few. There could be no free competition with the sources of the production of wealth monopolized and the channels of the distribution of wealth blocked or diverted. A diseased condition of competition had been taken as the norm.

They who, seeing how men are forced by competition to the extreme of human wretchedness, jump to the conclusion that competition should be abolished, are like those who, seeing a house burn down, would prohibit the use of fire.

The air we breathe exerts upon every square inch of our bodies a pressure of fifteen pounds. Were this pressure exerted only on on side, it would pin us to the ground and crush us like jelly. But being exerted on all sides, we move under it with perfect freedom. It not only does not inconvenience us, but it serves such indispensable purposes that, relieved of its pressure, we should die.

So it is with competition. Where there exists a class denied all right to the element necessary to life and labor, competition is one-sided, and as population increases must press the lowest class into virtual slavery, and even starvation.⁷⁹

Therefore, the doctrine of "enlightened self-interest" and the early nineteenth century belief that a common good must inevitably flow from the interaction of competing individuals were, for George, entirely inapplicable to a society grounded upon a basic institution of monopoly. In no fundamental sense, then, can he be classed with those worshipers of a malformed laissez-faire. His views were not those of the Optimists in classical political economy; his interpretation of the province of competition was not at all represented

⁷⁹ Protection or Free Trade, p. 307.

by the "Harmonies" of Bastiat or the nursery tales of Harriet Martineau.

This attack upon competition was, for George, of the same character as the traditional socialistic attack upon the wages system; it was a concern with a pathological condition that had been mistaken for the normal. ("Traditional" socialistic attack is suggested, since, with the exception of the recent Shavian resurrection of the doctrine of strict equality of income, contemporary collectivists, e. g., Mr. Thomas, are by no means agreed that the wages system qua system must be thrown overboard.) It is clear enough that, from the standpoint of strict Marxian socialism, wages are the evident means through which the owner of capital exploits the wageslave. They are the channel which diverts the labor-created "surplus-value" from the worker to the capitalist. The laborer must sell his labor as a commodity, and the only buyer is the owner of machinery; hence workers must compete against one another for wages which are paid only by the capitalist. Moreover, this traditional attack upon wages was not confined to such an exposition of the mechanics of the system; it was expanded to include the involved social relations between wage-worker and wage-payer, 80 and so criticized also what might be termed the "æsthetic" disadvantages of wages. The laborer is degraded by his wages and becomes a slave. Wage-slavery not only pauperizes the laborer; it demoralizes him as well.81

⁸⁰ John Spargo writes that what is meant by "the popular shibboleth of Socialism, the cry that the wages system must be abolished," is that the "social relations involved in the wages system must be abolished." (The Elements of Socialism, Spargo and Arner; New York, Macmillan, 1912; pp. 234–235.)

⁸¹ Hyndman, for example, was not impressed even by a condition of high wages; that was only a palliative state of affairs and could not remedy the more basic disease of industrial wage-slavery. "... The very highly paid wage-earner, even if, in good times, in the United States, he drives to his daily work in a Ford motor-car, is, economically speaking, just as much a wage-slave as the carefully nourished, educated slave of Crassus remained a chattel-slave." (*The Economics of Socialism*, Boston, Small, Maynard,

All such fear of "wage-slavery" was meaningless for George. It was an essentially emotional reaction and of as little economic worth as Carlyle's attack upon "cash" relations; it was nothing more than an ad hominem argument. The only difficulty George found with wages was, to put it baldly, that there were not enough of them. In the opening pages of Progress and Poverty he reduces to a formula his conception of the source of misery and poverty, and it is the plaintive question: "Why, in spite of increase in productive power, do wages tend to a minimum which will give but a bare living?" "The cause which produces poverty in the midst of advancing wealth is evidently the cause which exhibits itself in the tendency, everywhere recognized, of wages to a minimum." 82 Wages, then, were a problem only because they were low, just as competition was only a problem because it was not genuine. The adjective was alone significant; the problem of poverty was nothing more, or nothing less, than the problem, not of wages, but of low wages. Any socialistic attack upon the concept of wages itself was an attack upon some subtly hypostasized power for evil.

Thus, the fact that wages are low, that the laborer does not receive the full value of the product he has created, sent George in search of the cause of low wages, whereas, according to the follower of George, the same phenomenon sent the socialist hurtling against the very concept of wages. This was the prime fallacy of socialism—the habit of seeking no further than the obvious. "Wages are paid by the capitalist

1921; p. 203.) He then quotes the remark of Robert Owen that "under capitalism a man must be either a slave-driver or a slave." And G. D. H. Cole eloquently inquires: "What, I want to ask, is the fundamental evil in our modern society which we should set out to abolish? There are two possible answers to the question, and I am sure that very many well-meaning people would make the wrong one. They would answer Poverty, when they ought to answer Slavery. . . . Poverty is the symptom; Slavery the disease." (Self-Government in Industry, London, Bell, 1917; pp. 110-111.)

⁸² P. 17.

to the laborer; they are therefore the chain of bondage that fetters the worker to the machine. Laborers compete with each other and drive wages down; therefore competition is the cause of poverty. The worker is dependent upon capital; he does not own it and he is poor. The capitalist controls the tools of production; he employs the worker and he is rich. Therefore, the ownership of capital is the source of industrial exploitation." Such propositions, the Georgist argues, are the essence of traditional socialism, and they illustrate the refusal to dip beneath the superficial.

Wage-slavery exists indeed, but not because of the mere existence of wages; it exists because, in the words of Spargo, "there is always an army of unemployed ready to take the jobs that the discontented may vacate, and the choice that confronts the worker is usually a choice between holding his job or falling into poverty or even pauperism . . . Laboring power is a commodity that is bought and sold on the market, and the price of which at any time is determined by the laws of supply and demand." ss This would be accepted wholeheartedly by any follower of George. With an "army of unemployed" there must be "wage-slavery," but that slavery has nothing to do with wages simply as wages. It is determined solely by that grim and silent army of the unemployed, those "more hideous Huns and fiercer Vandals." The creator of wealth is a slave, held in bondage by "conditions more effectually coercive than statutes could be"; he is a slave, however, not due to the fact that his precious labor-time is bought by a capitalist who pays him an unjust return, but because the value of his labor is "determined by the laws of supply and demand," 84 and the supply of labor is vastly

⁸³ Elements of Socialism, pp. 9-10.
84 It is realized that "laws of supply and demand," just as is the case with other "laws," have come into some disfavor with socialists. They hope arbitrarily to regulate such affairs; witness the tremendously ambitious Russian Gosplan.

disproportionate to the demand for labor. This is slavery, and a slavery that is enforced by the weight of an unbalanced social order. No one was more bitter against the enslavement of the worker than George, but he could not have comprehended a system of slavery that was considered to have come into existence simply because one man paid wages to another. He saw nothing of the "unæsthetic" features involved in the mere sale of labor; the absurd disproportions of economic society were, instead, based upon the anomaly that the makers of all the world's wealth could find no market for their labor. To disagree with G. D. H. Cole: Is not Slavery the symptom, and Poverty the disease? There is no wageslavery because of the concept of wages, but there is a definite, not conceptual, slavery that results from competition among an army of unemployed, from an economic system that is fundamentally unsound in its solutions of the problems of economic distribution.

George's solution of wage-slavery was not the destruction of wages but the destruction of that "army of unemployed." That is, the point of oppression, for him, was the point of hire. In other words, if the abolishing of land monopoly would break the fundamental strangulation that cripples the production and distribution of wealth, as George felt it would; if it would thereby throw open unlimited opportunities for labor and so wipe out that army of the unemployed, then the menace of wage-slavery becomes a phantom. ** A

so The important socialist argument that the major economic problem is to give all workers who produce wealth a share in the direction of industry, that without such an active participation workers are not fully developed individuals, but are at the mercy of an economic system in which they have no controlling power (a point which, of course introduces ethical valuation of the status of individuals—something professedly foreign to the traditional socialist), would have been answered undoubtedly by George in terms of his "free" competition. Removal of exploitation at the point of hire would introduce an industrial order in which labor and capital could not be the cutthroat rivals they are under a monopoly-ridden economic system. Adjustment in the way of more direction in the control of industry on the part of the laborer would follow as a matter of course once the worker were

laborer, uncoerced by the pressure of a competing surplus of labor-power, can in no legitimate sense be considered a wageslave. Neither can he be considered as dependent upon any bogy-man capitalist. The point that George introduced in attacking the wages-fund theory se applies here: Divorced from the activity of labor, capital is just so much inert material, and can in no way victimize the worker whose labor is at a premium. Under a condition in which the laborer's bargaining power is not a fiction, as it is at present, but a working reality (and that condition, George confidently expected, would follow the breaking of land monopoly), the exploitation of the worker by the owner of the machine would be shown to be a myth. The socialist statement that in present-day industrial society the means of production are so vast and technical that their concentration in private hands means the dominance of the worker by the capitalist, since the worker, no matter how free he might be, could not manufacture for himself, or in any way duplicate, the ponderous machinery at which he toils, seems to the followers of George as superficial as the acceptance of any half-truth. If labor is dependent upon machinery for its employment, then in a most real and practical sense is machinery as dependent upon labor for its operation. A cessation of all labor for any appreciable length of time would not only make capital useless, it would irreparably damage it.87 If machinery is at all a Frankenstein's monster, then, with

regarded as a coöperator instead of a competitor, a condition which, according to George's argument, would be realized once wage exploitation had been removed. The administrative control by labor of industrial processes, in other words, was incidental as compared with the equitable sharing of the product of industry; such control was a technical bit of industrial management that would solve itself once the problems of distribution had been met.

See supra, pp. 83-86.
The realm of possibility, of course, presents us with the far-off spectacle of an age devoid of all human labor, the era of robots and mechanical dominance, a real machine civilization. But that will require a new political economy, if not a new physics of perpetual motion.

labor's services at a premium, it could injure no one but its owner. Any basic control of wages by capital disappeared, George felt, with the decline of the wages-fund theory, and the fact that the means of production were in private hands was therefore of no significance other than as a problem of industrial administration. Wages were controlled, not by the capitalist, but by supply and demand, by competition.

In concluding this discussion of competition and wages, and the contrast that these concepts introduce between socialism and the work of Henry George, it must be suggested that George's approach was not confined to this "negative" aspect, i. e., the defense of competition and wages from the socialistic attacks, a defense that attempted to limit the socialist's criticism to a realm of "diseased" competition and "deficient" wages. There was a more positive function that was effected by these economic processes, a function directly connected with the problems of the wage system. George argued that (free) competition acted as a regulator of conflicting services and demands, as a determiner of that product of an individual's labor which is considered by socialismand by orthodox economics—to be indiscoverably swallowed up in the social fund. Competition secured to "every worker a reward commensurate with the value which the community places on his services." In no other way could there be any possible determination of the worth of a man's labor, and no other way was needed. The value of an individual's labor product could have no other meaning except as a value determined by supply and demand, and under a condition of "free" competition that would be its "true" value. A complicated industrial order in which the individual laborer's efforts were merged with the labor of countless others was. for George, no different in any fundamental aspect from a simple unorganized state of production and barter. It still could not escape that ever-present equilibrating process between demand and supply. In fact, the very concept of value itself could be intelligibly measured in no other way.⁸⁵

It will be seen, therefore, that capitalistic complexity could not overcome George with its intricacy, and it could not undermine his cherished ideal of competition. Indeed, given his insistence upon the dominance of the land problem over that of capitalistic exploitation, and given his differing "historical" justification for social reform, the most highly organized of capitalisms could never present him with more than an incidental problem. Thus, all the minor contrasts between his work and that of the socialists may be traced to these crucial differences: Is economic reconstruction a universal need, one that has been apposite at all times and in all cultures, or is it a peculiar problem of a capitalistic society? Is the institution of private capitalism, that rather recent phenomenon, the source of social injustice, or must such injustice be laid to the private control of land (land, it is insisted, being different from capital)? The divergent answers to these questions have made Henry George and the socialists of all complexions philosophic adversaries.

There is no doubt that socialism has become fashionable. A leaning toward socialistic doctrine, whether within or without the boundaries of the academic world, has been transformed from a cause for suspicion to what is almost an indication of sociological discernment. The casual, perhaps dilettante, acceptance of some form of socialism is now a commonplace. In this country, of course, such a partiality has been of a different character from that intense interest which has appeared to divide Europe into two hostile camps. Here, it has been more a concern with the common or garden variety species of socialism that is typified in the extension of governmental control over what once were considered spheres of individual judgment and action.

⁸⁸ See supra, p. 94, n. 20.

It is true that in the United States the political fortunes of socialism proper have not yet completely recovered their prewar strength, but that is not of any real significance, for whatever may be the varying success of a political organization there must always be a strong popular and nonovert interest in the movement. The socialist appeal to the popular mind is very patent; ** it acts obviously as a crystallization of prevailing discontent, as a catharsis, so to speak, of the blind reaction against an inequitable social arrangement that coins the labor of one class into the luxury of another. Such an attitude of revolt will naturally discover in the apparent exploiter of labor, the employer, the indisputable cause of all economic oppression. The struggle between labor and capital is a struggle that can be popularly understood.

The academic (if that adjective can be used with any degree of accuracy) inclination toward socialism is one that cannot be so readily analyzed.90 Perhaps the most evident explanation of it is that the soundest of the socialist concepts,

⁸⁹ This appeal has been clearly outlined by Professor Young in his contrast of the popular success of the single tax and of socialism as reform movements. "It sometimes has been asked why the socialist movement has come into greater prominence and enjoyed a greater numerical growth than has the single tax. A chief reason is that the former lends itself better to agitation. The socialist protest is more simple, being directed against the great inequalities in the distribution of wealth. But the single tax is a step more complex, since it undertakes to introduce a theoretical distinction between kinds of wealth, a distinction not readily grasped by the man in the street, to whom socialism makes a stronger appeal. A protest against the mere magnitude and economic power of individual wealth is against the mere magnitude and economic power of individual wealth is simpler, and to the average mind appears more logical, than a protest directed against ownership of one form of wealth, land, and that not necessarily in the hands of the economically strong. The average man notices rather the amount of swollen fortunes than the kind of goods in which they happen at the moment to be invested." (The Single Tax Movement in the United States 211)

the moment to be invested." (The Single Tax Movement in the United States, p. 311).

90 The fact that Marx was a profound and erudite scholar and a typical "academician," coupled with the Hegelian influence in socialism, may be one of the "smaller" (the word is used with all its connotations) reasons why the Marxist proposals have been given such credence and consideration in the academic field. The reverse, of course, would apply to a man like Henry George, the very antithesis of the "scholastic." It may be doubted whether such a suggestion is either fair or valuable, but it might find possibly some

good psychological support.

that of the historical inevitability of collectivism, has been accepted as surety for the soundness of the rest of socialist doctrine. The adjectives "historical" and "scientific" and "evolutionary," all used as modifiers of modern socialism, are words that have a fascination for the scholastic mind—a fascination that is a legitimate tribute to the clearly proven methodological power that is connoted by such terms. Certainly the function of history in explaining and interpreting institutions and movements through the knowledge of their genesis and growth is one that cannot very well be overestimated, and socialism therefore can perhaps make no better appearance than in its historical garb. It may well be that the historical claims of socialism will be verified; at least, there seem to be good grounds for the socialist interpretation, and perhaps it has been this historical plausibility that has made the strongest appeal to socialism's academic adherents.

Yet it must again be noted that to relate the history of a social movement, especially if the more important stages of that history are reserved for the future, is not necessarily to recommend it. Socialists themselves are not unaware of that fact, for were they completely convinced of the historical inevitability of socialism, as was Marx and the more orthodox of his immediate followers, they would not seek to justify or propagandize their doctrines, but would make their efforts those of expectancy rather than of advocacy. If economic determinism were an almost cosmic force moving majestically and uncontrollably forward like the march of Spencerian evolution, then socialist propaganda would be in the nature of aiding the sweep of the tide with an eye-dropper. But socialists cannot remain so complacently fatalistic; actually they now have more faith in the pragmatic justification of socialism than in the historical (witness Mr. Thomas), realizing perhaps that the march of history may not be so uncontrollable and majestic that it cannot be tampered with.

Socialism seems to be engaged in a "laboratory" technique at present, substituting experimental, perhaps, for historical science, and, pointing to the results of great social ventures, does not appeal so often to the future class struggle. This, however, does not seem as appealing as historical socialism. The results of these "experiments" appear to offer more problems than the experiments themselves, and perhaps economic determinism still remains the safest argument of socialism.

The same spectacle of the companion existence of poverty and wealth sent both Henry George and the advocates of socialism in search of a saner social order, but their searches led them in different directions. However, the emphasizing in this chapter of the evident contrasts between these two searches will be seriously misunderstood if it is interpreted to mean that the followers of George and those of Marx can be nothing but sworn foes. It is true that the debates between the two groups have usually been characterized by an unnecessary display of polemical bitterness and by the calling of names, yet that appears to be a persistent tendency in the mutual relations of social reformers. It would seem, however, that there is enough of misery and oppression to engage all the efforts of social liberals and leave nothing to be dissipated in intramural wrangling. If, because of their differing concepts, the two movements can coöperate only in smaller details, anyway let there be that coöperation. They can remain, at least, amicable antagonists; as George wrote, they can agree to disagree—but disagree peacefully.