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NATURAL LAW

Principal Concepts in Henry George's Theory of Natural Law: A Brief Commentary on *The Science of Political Economy*

By FRANCIS K. PEDDLE*

ABSTRACT. George sees the obstruction of the interaction between the active and passive factors of production, between the human and the natural, or anything that exacerbates the dualism between us and nature, as contrary to the functioning of political economy. His deliberations on the nature of action and desire lead to his formulation of the fundamental law of political economy. This essay elaborates on the guiding principles of that law, examines its basis in light of Ciceronian versus descriptive economics, considers its ramifications for socio-political institutions and economic reform, and addresses the question of social versus economic justice. The recognition of the power of economic rent in the distribution of income and wealth has once again made George's philosophy of economics a guide for reforms in public finance, the alleviation of poverty, and the long-term stewardship of the environment.

Introduction—Natural Law and Political Economy

In Henry George's last, unfinished work, *The Science of Political Economy*, there is little discussion of politics, societies, legal institutions, or what we now generally call public finance. Adam Smith devotes Book V of *The Wealth of Nations* to issues of public revenue and debt, and chapters 8 to 18 of David Ricardo's *Principles of Political Economy and Taxation* focus on the vicissitudes of what is commonly referred to today as tax incidence theory. John S. Mill's comments on direct and indirect taxation in his *Principles of Political*

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Economy formed the backbone of judicial decision-making on taxation well into the twentieth century. This is no oversight for George (1981: 27) declares early on in *The Science of Political Economy* that “the body economic, or “Greater Leviathan,” always precedes and underlies “the body politic or Leviathan.” Political economy is concerned with the body economic, not the body politic. Tax incidence theory and the field of public finance, for instance, sit atop the economic substructure.

The word “nature” and the phrase “law of nature” occur innumerable times in George’s treatment of political economy. In the more philosophical and cosmological first chapters of Book I of *The Science of Political Economy*, which is concerned with the meaning of the phrase “political economy,” nature, or the world, is distinguished into three elements or factors: (i) mind, soul or spirit; (ii) matter; and (iii) motion or force or energy. It is indisputable to him that priority must be given to the spiritual. Philosophy, for George (1981: 9), who had no technical training in the discipline, was simply the search for the nature and relation of things. Humanity is separated from the rest of nature in that humans are makers and producers. Humanity grows and advances by virtue of natural laws and the very constitution of things, not by virtue of any pact or covenant that may issue out of the body politic (1981: 23). The Greater Leviathan is thus a natural system and arrangement that may or may not be advanced by the all-too-human Leviathan. George’s theory of the body economic is organic, not contractual, teleological, nor mechanistic. The state is thus an epiphenomenon of civilization. It is natural law that underlies all civilizations.

The “laws of nature” are dealt with explicitly by George in chapter VII of Book I of *The Science of Political Economy*. This section is the most illustrative in the Georgist corpus of his fundamental philosophical orientation. At the beginning of the chapter the epistemological divide between Kant and Hume is not cited directly. Whether knowledge arises from experience primarily or whether it intrinsically “belongs to our human nature as its original endowment” George (1981: 44) leaves alone as an insoluble philosophical problem. Unfortunately he states that the debate is “merely verbal” and unnecessary to join for purposes of political economy. This reflects and anticipates obliquely the general dismissal, in the late nineteenth and twentieth centuries, of metaphysi-

cal problems as mere verbiage and word games. George (1981: 208–209, 345–350) tends to blame this word-smithing primarily on the Germans and especially holds Kant and Hegel, and to a lesser extent Schopenhauer, up for rebuke. Kantian antinomies are not failures of thought for George but “confusion in the meaning of words” (1981: 348). Many of George’s generation in the late nineteenth century sought solace in a more simplistic philosophy (Peddle 1993).

The idea that knowledge arises from human nature takes up the distinctions embedded in “ordinary perceptions” and “common speech.” One immediately thinks of John Locke (1997: 468) in this context; for him “coexistence” is one of necessary relation. George appears to use the term initially as simply an underlying continuity or substratum. Later he sees it in the more Lockean sense of necessity or invariability (George 1981: 55). Succession and sequence deal with change, while coexistence represents the permanent. Lockean epistemology is based simply on “the perception of the connexion and agreement, or disagreement and repugnancy of any of our ideas” (Locke 1997: 467). George thus appears to frame himself with the commonsense philosophers, but as we shall see, this categorization is itself too simplistic.

George’s principal focus is on the nature of relations in observed phenomena. He notes that there are relations of coexistence and those of succession or sequence. One immediately thinks of John Locke in this context. “Coexistence” for Locke (1997: 468) is one of necessary relation. George appears to be using the term coexistence initially as simply an underlying continuity or substratum. Later he sees it in the more Lockean sense of necessity or invariability (George 1981: 55). Succession and sequence deal with change, while coexistence represents the permanent. Lockean epistemology is based simply on “the perception of the connexion and agreement, or disagreement and repugnancy of any of our ideas” (Locke 1997: 467). Relations of sequence are merely temporal. They are successive juxtapositions and contingent positionings, but reveal no causal connection. George (1981: 45) then identifies another form of succession, that of consequence. This is a necessary relation of cause and effect. These sorts of relations are irreversible and invariable. For George, espousing causal relations is the essence of human reason and the basis of what we call “science.”

The simplest causal relation arises immediately out of self-consciousness and the exertion of the will. While George's discussion of consciousness in chapter VII of Book I is not sophisticated, it does indicate significantly that when he talks about the laws of nature he is not referring solely to physical laws but to spiritual and mental laws as well. This is a point for which George could be pilloried if it is not remembered that "spirit" or "mind" is one of the essential factors of the world and that political science is concerned with its own unique laws of nature. George states: "For natural law is not all comprehended in what we call physical law. Besides the laws of nature which relate to matter and energy, there are also laws of nature that relate to spirit, to thought and will" (1981: 437; see also Schwartzman 1991). An inquiry into the "how" of something is inevitably followed by one into the "why" of it, that is, purpose, motive, or intent. George (1981: 50–51) is prompted to cite Aristotelian teleology and the doctrine of final causes in this context. His comments on Aristotle and the "teleological argument" are prophetic and highly suggestive. He notes that teleological arguments are out of fashion in modern philosophy and viewed with suspicion if not contempt. The assault on ethical naturalism, scholastic philosophy, and classical discussions about the good lasted for almost a century after George's time. He knew nothing of G. E. Moore's (1966) naturalistic fallacy and the predominance of the Humean fact/value dualism. Final and beginning causes do, however, occur with great frequency in the common speech of ordinary people. It is out of such ordering principles that one comes to understand "Nature" as an all-comprehensive system. Nature is not to be confused with God. These are two distinct concepts for George. George (1981: 54) quotes Alexander Pope: "All are but parts of one stupendous whole, Whose body Nature is, and God the soul" (from the first Epistle of *An Essay on Man*, lines 267–268).

Rule-based systems of positive or human law are not the driving force of political economy, nor do they provide any of its content. George surmises that "law" originally meant something exclusively human, as it took the form of commands and rules of conduct. These are accompanied by sanctions and notions of right and wrong. The observation by us of invariable coexistences and sequences in phenomena led to the universalization of law. The human will was no

longer seen as the law's sole originator. The idea of a "causative will" that transcends the human will became known as the "law of Nature." For George (1981: 56) laws of Nature (or the natural order) are nothing other than the invariable sequences that belong to the system of Nature. Detection of these invariable sequences, which are in fact consequences or causal relations, is a tendency that arises out of human mental necessity. Humans are not content until they come to the end of a causal sequence, no matter how many intermediate causes may have to be traversed. Science is the discovery of such laws of nature. Human laws, customs, and modes of thought originate in natural laws (George 1981: 59). The distinction between human law and natural law is the first necessity in the study of political economy (George 1981: 59, 61). George accuses "the accredited economic treatises" of wallowing in fundamental confusion about these two types of law.

What conclusions can be drawn from the aforementioned preliminary observations on George's view of the relation between natural law and political economy? Clearly, natural law must be understood as the key concept of the science of political economy. It is the concept that most sharply separates that science from jurisprudence, history, sociology, political science, anthropology, or economic soothsaying. Secondly, natural law deals with original human endowments and dispositions. There are traits inherent to human nature that cannot be taken away or, conversely, legislated into existence. These properties are objective and ineliminable. Thirdly, humans have an inherent motivation to seek the causes of things and to attribute a necessity to cause and effect relations. Fourthly, the identification of invariable causal relations also involves the pursuit of final causes, or the isolation of ultimate purposes. The teleological disposition, in its complex interpretations, is fundamental to the human endowment. Finally, the mental necessity of the human endowment leads to the identification of natural laws and to the world-view that Nature is an ordered system.

These philosophical views of Henry George are antithetical to the intellectual culture of most of the twentieth century. George seems out of tune even with his own time. Witness his attack on Herbert Spencer (George 1988) and the attack on him by Thomas Huxley (1890).

Furthermore, it is not easy to place George in any particular philosophical camp. Phrases such as “mental necessity” and “invariable causal relations,” as well as his general sympathy with Enlightenment principles, seem to make him amenable to certain aspects of Kant’s philosophy. On the other hand, he does not see such necessity as an *a priori* “mental construct” in either the strong Kantian sense of a pure category of the understanding or as an *a posteriori* form of subjective necessity in Hume’s notion of custom, which prevails in his principle of causation. George thinks like a realist or what might loosely be called an “objectivist.” (This, of course, brings to mind the philosophy of Ayn Rand; no direct affiliation is intended, however, although some of those familiar with George have canvassed the connections.) He is not, however, a scientist or an operational economist in the sense that prevails today, although he certainly does not eschew careful observation, experimentation, and induction. He is first and foremost a moralist. His major popular writings such as *Progress and Poverty*, *Social Problems*, and *Free Trade or Protection* are redolent with an overwhelming sense of the omnipresence of injustice and inhumanity. He seeks a soteriology in a positive-law type of economics and believes he has found it in the almost mystical vision of the “sovereign remedy” found in *Progress and Poverty*. Positive economics must be founded on and integrated with a normative economics, which is in turn only possible on the basis of natural law.

Political economy is not moral or ethical science (George 1971: 72–73). However, economics in George’s view is nothing if it does not consider justice. But how can this discipline, political economy, which purports to concern itself with natural laws advance the human ethical project? How can “the science of the maintenance and nutriment of the body politic” contribute to the moral advancement of humanity?

Teleology, Normative Economics, and Modernity

The first question we may ask ourselves is whether George’s view of natural law encapsulates and in some way advances the concepts long entrenched in the Western tradition of natural law theory with respect to the relation between ethics and economics. Natural law theory has its roots in classical antiquity, especially in Aristotle’s *Nicomachean*

Ethics and other treatises. It was perhaps left, however, to a rhetorician like Cicero (1928: 33) more than a metaphysician to state succinctly the most often cited definition of natural law:

True law is right reason in agreement with Nature; it is of universal application, unchanging and everlasting; it summons to duty by its commands, and averts from wrong-doing by its prohibitions. And it does not lay its commands or prohibitions upon good men in vain, though neither have any effect on the wicked. It is a sin to try to alter this law, nor is it allowable to attempt to repeal any part of it, and it is impossible to abolish it entirely. We cannot be freed from its obligations by Senate or People, and we need not look outside ourselves for an expounder or interpreter of it. And there will not be different laws at Rome and at Athens, or different laws now and in the future, but one eternal and unchangeable law will be valid for all nations and for all times, and there will be one master and one ruler, that is, God, over us all, for He is the author of this law, its promulgator, and its enforcing judge.

George's (1981: 60) description of natural laws is very Ciceronian. The Stoical influence on George is strong and under-examined in the Georgist literature. It is no accident that George quotes the late Stoic Roman Emperor, Marcus Aurelius, at the beginning of *Progress and Poverty*.

The confluence of reason, nature, and law, the characteristics of universality and unchangingness, and the status of cosmopolitan validity are all indicia of natural law in the many subsequent centuries of commentary and exposition. Most modern comments on natural law, especially in the philosophy of law in the United States, inquire no further back in the history of philosophy than St. Thomas Aquinas. In his "Treatise on Law" (1946: 993–1119), there is consideration of the various precepts of natural law as well as whether it is universal and unchangeable. A modern example would be Murphy and Coleman (1990: 67–108). There is a significant literature of interpretation and commentary on these passages in the *Summa Theologica* that stretches over many centuries and that has enjoyed a certain revival in recent decades after an extended eclipse in the twentieth century. An example of an important early development in this tradition is the Salamanca School (DeVitoria 1991). (For the contemporary revival of natural law doctrines, see Lisska 1996: 8–12, 15–48). Equally important is the recognition that natural law cannot be violated or avoided or

expunged from the order of things. The obvious implication is that the enactment of human laws in contravention of the natural law may obstruct and temporally displace the latter but can never permanently abolish it. Many of the precepts of Georgist normative economics flow from an awareness of this principle.

Lest it be thought that there is no human factor whatsoever in George's view of political economy, that we are simply caught in a deterministic rat trap, from which no political will or social philosophy can disengage us, there arises in the discussion in Chapter X of *The Science of Political Economy* the idea of a "complex system" in which the human will, the active factor, is a principal actor. (It is the curious position of many current economists that there is a certain "natural" inevitability to the business cycle and the recurrence of recessions in the modern capitalist economy. Inscrutability seems to lead to the invocation of some mysterious natural force. George, of course, would never subscribe to such inscrutability. He thought the cause of industrial depressions was perfectly understandable, their frequency artificially induced, and their elimination possible through the comprehension of the natural laws of economics.) The human will is not fundamentally erratic, diabolical, mischievous, nihilistic, or world-negating. George does not give it, in its essence, any particular religious or moral coloring. The exertion of the human will on the material and forces of nature is inherently rooted in what might be called the economic teleology of the satisfaction of our material desires. As a system, political economy is concerned with human actions, not any actions, but those actions that have as their aim the satisfaction of human desires in the material sense (George 1981: 76). The three cosmological factors of the world identified at the beginning of *The Science of Political Economy*—spirit, matter, and energy—are now for the purposes of political economy re-articulated as human beings and nature, the active and passive factors of production embedded in the thought of Smith and Ricardo. Reason clearly distinguishes between human and natural agency, between a statue and a stone. Non-rational beings cannot do this. Political economy as a science deals with the relations brought about by a conscious will, which is the "primary motive power" behind the alteration of material forms with the objective of satisfying human material desires (George 1981: 80).

This exposition by George of the general character of political economy is easily rendered into the traditional language of Aristotelian-Thomistic views on teleology and natural law. The satisfaction of material desires is a necessary aspect of the development of human well-being. The well-being of individuals is an end in itself and this by definition is good. Material satisfactions are undoubtedly multiple and variable, but their limitation or abridgement, such as somehow curbing excessive greed or prioritizing among scarce resources, are not strictly speaking components of political economy. In this sense the multiple goods of material satisfaction are incommensurable and thus not to be strictly judged by the principles of political economy. The human disposition is developmental, that is, it must be understood as advancing from its potential to its actual nature. Hence, the Aristotelian distinction between potency (*δύναμις*) and act (*ἐνέργεια*) has a place in political economy and the institutional and political evaluations of positive economics, that is, economic policies, economically consequential legislation, and the determination of economic intelligence by normative economics. The economic obstruction of the human developmental process, or the obstruction of the development of the human disposition from potency to actuality, necessarily undermines human well-being because it undermines the natural process whereby a human being attains self-actualization or complete human beingness. Frustrating the possibility of attaining human well-being, or what today we normally subsume under the vague concept of equality of economic opportunity, is to make it difficult if not impossible to function as a human being. Negating human functionality, denying the possibility of individual self-actualization, in effect, truncating human nature, are all contrary to the fundamental principles of “eudaimonistic” ethics. (The phrases “happy economics,” “civil happiness,” and “human flourishing” have to some degree found their way into modern economic parlance—see Bruni 2006. This is one of a number of different media for re-introducing Georgist economics and natural law theory into mainstream economics.) If you do anything economically to restrain unjustifiably human well-being or flourishing, you are acting against the strictures of normative economics.

George sees the obstruction of the interaction between the active and passive factors of production, between the human and the

natural, or anything that exacerbates the dualism between us and nature, that restrains or negates the relation between the two, as in principle contrary to the functioning of political economy. And anything that is contrary to the functioning of the body economic is in principle contrary to individual well-being. (I am using the phrase "in principle" here because there are obviously instances where you may want to restrain such a relation for non-economic reasons, such as protection of ornamental gardens, parklands, or more broadly the environment. Such protections can be easily incorporated into the notion of the advancement of human well-being, on aesthetic or ecological grounds.) Furthermore, anything so contrary to individual well-being hinders social development and cooperation. Access to nature is therefore fundamental to the system of political economy simply because no economic activity can take place without the interaction of the active and passive factors of production. These are some of the teleological principles that undergird natural law and normative economics.

From the standpoint of the ethical naturalism of the Aristotelian-Thomistic tradition the developmental disposition of human nature towards the satisfaction of material desire, towards the attainment of the necessities and luxuries (at least to some degree) of material life, is also the *nisus* that grounds the "oughts" of normative economics. Political economy, it can be said, is descriptive of natural processes of production and distribution. It is, however, in the discernment of the precise and unalterable structure of these natural processes that the "oughts" and "obligations" of positive-law economics are immersed. The Humean fact/value divide is overcome. One now has an evaluative dimension in normative economics that allows for ethical decision-making at the infinitely diverse levels of economic policy formulation. For example, laws that bestow special privileges in the form of licenses and exclusive rights with respect to access to broadcast spectrum (that is, entry monopolies) are not only in principle contrary to the productive laws of political economy but also must be sanctioned by normative economics on the ground that one ought not to restrict arbitrarily access to that which is created by God or that which is pre-given in nature. Of course, society in the interests of the efficiency goals of positive economics can put conditions on the

bestowal of such privileges in recognition of the moral principle and thus reconcile the “ought” of normative economics with the goal of effectively developing the broadcast spectrum through the economic interests of a given group of individuals with a given skill set. If the conditions are properly calibrated, then the equity objectives of advancing human well-being are melded with the efficiency goals of the science of the economical production of goods and services.

“Oughts” and “obligations” are principally looked upon today as sets of rules and codes that determine the “normative” irrespective of the actual. In a sense the actual must conform to the rule whether or not it is in its nature to do so. Most tax laws in our society, for instance, are contrary to the normal inclinations of human nature and sound business practices. Adam Smith (1937: 779) captured these absurdities well when he said that: “The law, contrary to all the ordinary principles of justice, first creates the temptation, and then punishes those who yield to it; and it commonly enhances the punishment too in proportion to the very circumstance which ought certainly to alleviate it, the temptation to commit crime.”

Georgist economics is a normative discipline, but it should not be conceptualized as normative in the sense of rule-imposing, even if those rules are a coherent system. Laws for George are laws because they are elicited out of the nature or order of things, material or mental, natural or spiritual. This runs against the modern current of positive law or human-made law as an end in itself or as a system of jurisprudence and a system of economic activity completely disengaged from natural law or the natural economy. In modern economics, for instance, the “underground economy” is viewed as an aberration or anomaly to be eradicated, absorbed, or co-opted somehow. That the underground economy may be a natural economy (apart from its criminal elements) is not entertained because that would then highlight the fact that the above-ground economy is the one that is artificial and non-natural. (For some discussion, see De Soto 2000; De Soto’s position ignores the fundamental role of economic rent in the collateralization of legally formalized assets, especially real estate.)

George was sensitive to modern suspicions about traditional metaphysics and the grounding of political economy in speculative

theology. He is of the view that a scientific approach to natural law, utilizing the hypothetico-deductive method, that is, a combination of principally deductive but nonetheless inductive reasoning, is sufficient. Unfortunately, these resonances with modernity were not enough to countervail the post-Georgist dismissal of his approach as archaic and riddled with supra-economic assumptions, speculations, and inferences (see Anderson 2003; Samuels 2003).

The Fundamental Natural Law of Political Economy

George neutrally defines “desire” in the widest of senses as that which generically prompts human action at the beginning of Chapter XI of the First Book of *The Science of Political Economy*. One should simply understand desire as a given or a condition precedent that is necessarily connected with human action. Desire and action are integral to the human disposition and necessary to its self-actualization. Human desires and their corresponding satisfactions are subjective, relative to the individual, and objective, relative to the external world. Some desires are immaterial, such as thought and feeling, some are material, relating to matter and energy (George 1981: 83). George does not, however, see a radical distinction between the different modalities of desire.

The deliberations on the nature of action and desire lead to George's formulation of the fundamental law of political economy in Chapter XII of the First Book. The principle of political economy, which is the foremost invariable sequence denominated as the law of nature, is that there is an inherent disposition in human beings “to seek the satisfaction of their desires with the minimum of exertion” (George 1981: 87). From this first natural law of political economy we can elaborate a number of guiding principles for the science of political economy:

- (1) The fundamental law of political economy is not a principle of human selfishness. The assumption of selfish motives is just as irrelevant for the science of political economy as the assumption of its great correlate—sympathy, or conversely perhaps as pernicious as assuming benevolent human motives for efficient economic production. (It is commonly viewed that Adam

Smith encompassed the full universe of human motives and intentions with his two masterpieces *The Theory of Moral Sentiments* and *The Wealth of Nations*, which focuses on self-interest. The latter should not be equated with selfishness. This is often done by commentators, who have labeled it the “Adam Smith Problem,” or the contradiction between “selfishness” of *The Wealth of Nations* and the “sympathy” and “benevolence” of *The Theory of Moral Sentiments*. For a brief discussion, see Grabill (2006). Self-interest is the operational mechanism for the exercise of economic judgment. Prudence with regard to the pursuit of one’s economic interests gives rise to infinitely variegated cultural and historical socio-economic structures.)

- (2) This law is a self-evident fact.
- (3) It is a law of action.
- (4) It is a law of development and economic cooperation.
- (5) It is a law of order—without it there are only unintelligible conjunctions of fact and information. In this sense it is a law that involves both efficient and final causation, primary, intermediate, and proximate causes.
- (6) It is the law that makes possible political economy. In other words there can be no economic production without its assumption.
- (7) It is that from which all other deductions and explanations in political economy derive.
- (8) It has the same unifying force in political economy that gravity once had for physics (or at least did have until the nineteenth century).
- (9) It is “synderetic” (to be defined in relation to the Aristotelian-Thomistic tradition).
- (10) The law expresses the literal meaning of the word “economic” or what is the most economical way of getting from point A to point B in the sense of requiring fewer resources or costing less money.

George sees the first law of political economy as universal and unfailling. It meets the precepts of natural law. It is also in the nature of a habit ($\xi\iota\varsigma$) in some senses, sometimes called a state of character,

that is in a certain state or permanent condition (Aristotle 1915: 1105; Aquinas 1946: 1008). The dispositions towards living, such as the desire to exist or to survive and to seek nutrition and growth, are permanent conditions of being human and are thus at the core of virtue in Aristotelian ethics. (One may be tempted to see George's view of political economy and the material satisfaction of human desire as limited to the dispositions towards living. That would be to unduly restrict what George conceives of as human desire, which would include the widest possible range of spiritual and rational dispositions as well—Lisska (1996: 102).) The first law of political economy internally regulates these dispositions. The endangerment of control over the preservation of one's life, such as someone else having a proprietary interest in your body, obviously runs counter to this disposition. But what of the dispositions to rational formation and skill development? Does society, for instance, have an obligation to provide free university education to anyone who wants it? Is the educational system a commons that ought not to be enclosed? Economists tell us that education increases labor productivity and promotes higher wages. Few, however, advocate completely socialized education. (How Georgist economics might advance greater equality of educational opportunity is a largely uncultivated field of research and reflection.)

Another important aspect of the Georgist conception of the fundamental law of political economy is its characterization as an organizing principle. In this respect it has features of the classical Aristotelian-Thomistic "metaphysics of finality" and "synderesis." The former is a complex theory that interrelates the classical doctrine of essence with natural law theory. George does not contribute directly to that debate, but he does intuitively incorporate some of its features in his political economy. George is concerned with the "normality of functioning" of the human being (a phrase from Maritain 1951: 87). Outliers and exceptions to the rule do not, and cannot, defeat the natural law of political economy. If some people are uneconomical, spendthrifts, or debt addicts, then so be it. We are not concerned in political economy with individual aberrations or even with individual conformance to the natural physical and mental symmetries. Clearly, there are inherent in human nature universals and necessities, which reason recognizes.

This is its “realist ontology” to use the traditional phrase. Human nature is also inherently purposive, for George. The fundamental law of political economy is the guiding hand of that purposiveness in the sphere of economics. Again, it is not always individually or socially the case that such economic purposiveness will be transparent in either the Leviathan or the Greater Leviathan.

The other important aspect of the metaphysics of finality is the notion of the common good. Young (1996: 8–15) makes this the principal concept of the economic order. It is interesting to note that the “economic common good” thought of as an “abundance of goods and services” has a trans-economic goal, which is leisure or “freedom from economic activity.” As Aristotle points out in Book I of the *Nicomachean Ethics* all inquiries aim at some good. Ethics and political science aim at human well-being, of faring well and living well. The moral virtues have a finality as well in that they culminate in justice in both its distributive and rectificatory aspects. Book V on justice and Books VIII and IX on friendship in the *Nicomachean Ethics* are the closest Aristotle comes in that text to what we might call today communal relations or issues surrounding equality, equity, and socio-political organization. Political economy, for George, is not about individual ethics, but he was sensitive to the fact that the proper functioning of the social whole has an effect on individual behavior and thus on a society’s economic performance. The effect George’s reforms may have on individual virtue-ethics and reciprocally the ontological assumptions about human nature that George gathered up into his political economy, and agenda for economic justice, are very fruitful domains of philosophical and economic inquiry.

As for “synderesis,” this is also an organizing principle, which may be viewed as the process whereby secondary, tertiary, and perhaps even quaternary principles are elaborated or translated out of the first principle. For St. Thomas “synderesis” (deriving from *συν τηρέω* and *τήρησις*—to give heed to, to watch over, to be vigilant) is not a power but a “habitus” or *ξίς*, that is the bestowal on us by nature of practical principles (Aquinas 1946: 407). It is a “special nature habit.” “Synderesis” incites to the good. It has to do with those things that are “naturally known without any investigation from reason.” (For a thorough discussion of “synderesis” as a philosophical term of art, see

Lottin 1948: 101–349.) It is clear that for Aquinas “synderesis” is the key concept behind practical reasoning. It is a habit that contains “the precepts of natural law, which are the first principles of human action” (Aquinas 1946: 1008).

It is one of the theses of this essay that it is to the Scholastic notion of “synderesis” that one must look for a key area of confluence between the ethical naturalism of the Aristotelian-Thomistic tradition and the naturalistic economics of Henry George. The scholastics viewed “synderesis” as a “law of the mind,” a phrase amenable to George (1987: 507–515; here he uses the phrase “law of mental development”). The laws of production and distribution, of value-in-production and value-in-obligation, of economic rent and wages, of property and of human progress are all derivable from the fundamental law of political economy. The human *nisus* towards the natural actions of integration, cooperation, association, and the harmonious interaction of whole and part are all crucial concepts for George (1987: 508) in the advancement of civilization and the interrelation of the moral law and political economy. The scholastic notion of “synderesis” is also isomorphic with George’s view of the growth and development of society as organic. This is not surprising since the concepts of purpose, completion, perfection, and end, all deeply buried in teleological metaphysics since Aristotle’s “metaphysical biology,” are frequently associated with an organic perspective. (Philosophical theories of vitalism were quite pervasive in late nineteenth-century thought—for example, Eucken (1912).) The collective power, for George, is clearly distinguishable from the sum of individual powers, just as a surplus value, which has no economic value, is discernible in economic rent and is distinguishable from the return to wages and capital.

Political economy, organized by its first principle, which then investigates a multitude of natural laws, has a relation to the community or the state (George 1981: 66). It refers to a social whole rather than to individuals. It does not, however, refer to the political divisions of this social whole. Furthermore, political economy deals with the distribution of the results of “socially conjoined effort.” (George 1981: 70). It is focused on human actions that aim at material satisfactions in the aggregate. The human element is the initiative or active factor, the

natural element, the passive factor. The condition precedent to the active factor is access to the materials and forces of the natural element. This access brings about the relations that are the focus of political economy.

Ciceronian Ethics Versus Descriptive Economics

Aristotle (1915: 1107) defines moral, as opposed to intellectual, virtue as “a state of character concerned with choice, lying in a mean, i.e. the mean relative to us, this being determined by a rational principle, and by that principle by which the man of practical wisdom would determine it” (see also Aquinas 1964: 107–110). “Phronesis” (*φρόνησις*) practical wisdom or intelligence (or one could say “prudent”—a weaker term—or wise in human affairs) allows us to avoid the excess and the defect outside the mean. Aristotle, like George, sees a fixity in human nature from the standpoint of its essence. (George (1987: 504) states: “That the differences between the people of communities in different places and at different times, which we call differences of civilization, are not differences which inhere to the individuals, but differences which inhere in the society.”) There are variances but they always to revert to the mean. George (1987: 503) calls this a “natural symmetry of mind,” towards which all deviations tend to return. This general fixity or “common standard” with respect to human mental power does not, on the other hand, mean that civilization is static. On the contrary, George couples this generally static view of individual essence (although developmental within the confines of that essence) with a very dynamic approach to civilization and the advancement and deterioration of human collectives.

How these characterizations of human nature, moral virtue, law, and collective life get carried into political economy and even further into the Georgist program for economic justice and reform is one of the principal controversies in philosophical economics, which inquires into the mutually illuminating and reinforcing relationships between ethics and economics. Descriptive economics, or neo-classical economics, is primarily model-driven and algebraic. Its circumscribed scientific aspirations are, however, cosmopolitan in intent, even if it takes its conclusions as tentative and intrinsically

alterable. This surface cosmopolitanism derives principally from its aura of scientific neutrality. This is why modern economists are able to serve ably in any institution in any culture. They are ubiquitous precisely because their deliberations for the most part have no conscious distributional consequences. Modern descriptive economics, teleologically-adverse and bereft of any first principles rooted in natural law or ethics, is easily assimilated to a broad range of political pathologies and has assumed, in its popular forms at least, a largely ceremonial role in contemporary discourse.

From another perspective philosophical economics may be characterized as a Ciceronian ethics of natural law confronting a mathematized, supposedly value-free, marginalist, and descriptive economics of efficiency. Solow (2006: 45) captures this dilemma well when he states: "Students of economics are indeed taught to make a clear distinction between positive statements (this is how this piece of the world works) and normative statements (some states of the world are better than others). They are taught that no 'ought' follows from an 'is,' except with the addition of a clearly defined ethical criterion." In modern economics this is viewed as an inevitable trade-off between equity, or those decisions that have distributional consequences, and the subscribers to free markets, efficiency, gains and losses, and issues under the rubric of what Aristotle called rectificatory or corrective justice. Foley (2006) declares that the issue is not to choose between equity and efficiency, precisely the Humean proposition put to most economics students in our marginalist or neo-classical educational system, but to analyze where the applications have gone wrong. The Scholastic tradition calls the divide between equity and efficiency the difference between distributive and commutative justice. Equity and distributional theory must ultimately revert in some sense to the Ciceronian definition of natural law as "true law is right reason in agreement with Nature." In this sense the insertion of Ciceronian-like ethical criteria into economics will be inevitably seen by the marginalists as supra-economic in much the same manner that legal positivists view "the natural necessities" (H. L. A. Hart) or "rights" (R. Dworkin) as something fundamentally extra-legal.

Natural law theorists do not see equity and efficiency as juxtapositional or co-lateral. Rather, their paradigm is foundational. The

efficiency model, the precise analysis of gains and losses, the science of exchanges, depends upon a prior distribution. It is not just prior as a conceptual assumption, but prior in actuality. Of course, Aristotelians know that actuality precedes potentiality; therefore, the conceptual and actual dependency of efficiency on equity is ultimately based in the classical tradition. George's view of the hierarchical structure of political economy, in terms of all its natural laws emanating from a single fundamental principle, the first law of political economy, is thus foundational in a way that is analogous with the Thomistic position that the natural law participates in the eternal law. Such a hierarchy is deeply unpalatable to the descriptive economist and to the modern consciousness. Descriptivist economics is only oriented towards provisional and relative or comparative universals or low level generalizations from a given set of data. Likewise, there are powerful currents in modern philosophy that are only willing to make modest claims about keeping the conversation going, about the dialogical, the discursive, and the contextual.

On the other hand, the counter-modern, natural law economist works deductively from a given totality of law-like principles and relations between these principles. These relations have their particular determinations in various applications and guises, such as how the law of rent has a tendency to reduce wages, which can further be determined by the empirical data. Inductive results, however, in and of themselves cannot change the Ciceronian edict that the law of rent and its ineluctably negative effect on wages cannot be legislated away by positive law. The structural subsets of George's first law of political economy follow deductively. Human exchange, or the "propensity to truck, barter and exchange one thing for another," to use a celebrated phrase of Adam Smith's (1937: 13), is simply an exertion-reducing presupposition of any collective economic effort. Emma Rothschild and Amartya Sen describe the universal disposition to exchange as "a sort of oratory" and that this "general propensity to discursiveness gives rise to the division of labour, and thereby to universal opulence" (Haakonssen 2006: 322).

How does George elaborate the concept of "economic value" out of the first principle of political economy? The key is the inseparable

notions of plus-exertion and minus-exertion. Value, generally, is “worth in exchange” and “the value of a thing in any time and place is the largest amount of exertion that any one will render in exchange for it; or to make the estimate from the other side, that it is the smallest amount of exertion for which any one will part with it in exchange” (George 1981: 350–251). The absence in many estimates of value of “making the estimate from the other side” frequently skews economic debates. The concept of “wealth effect” in rising real estate markets is one example. There is an ineliminable subjective element in value. It is not something that is intrinsic to things. On the other hand, value is not exclusively subjective, i.e., simply a function of the intensity of desire, but rather value is something that flows from how much one is willing to give for something. In effect this is an objective check on the intensity of desire. This is the economic concept of effective demand, or as George (1981: 253) states, “the desire to possess, accompanied by the ability and willingness to give in return.” This objective check is competition, or the higgling of the market. Any attempt to eliminate competition is thus contrary to natural law and fundamentally counter-economic. George’s concept of value is not exclusively labor based, like Ricardo’s. Although his philosophy of economics is fundamentally producerist, it is not the quantity of labor that is exerted in production that determines value, but the amount of labor that is rendered in exchange for it. Value, determined through competition, is a “point of equation,” or a measurable compromise between desire and satisfaction, demand and supply, tends to “the present cost of producing a similar thing” (George 1981: 254). (George’s remarks on value, as a reconciliation of the subjective and the objective, of demand and supply, through competitive markets—a phrase that is a pleonasm since markets are by definition competitive—should put to rest any notion that he is a socialist or a Marxist.)

Land generally, or nature as such, cannot have any value since it is not produced, but created. However, land as a particular quality, or a certain locality, has no objective delimitor because it cannot be checked by the possibility of production, and thus is not subject to the competitive forces of the marketplace. The value of land that is monopolized, or that has an entry price, is therefore not in the nature of an exchange of service, but one of an “obligation to render service”

(George 1981: 255–256). This leads us to the all important distinction in George’s philosophy of economics between “value from production” and “value from obligation.”

George (1981: 259, 261) defines value from production as an addition to the socially conjoined effort or to the “common stock” of a community. This is wealth in the strictly politico-economic sense. Value from obligation “consists merely of the power of one individual to demand exertion from another individual.” This form of value causes a new distribution of what already exists—it re-distributes the common stock, but it cannot be characterized, according to George, as wealth in the politico-economic sense.

In George’s view the single most pernicious and pervasive error in the history of political economy has been its failure to define wealth because it has not recognized the fundamental distinction between the two kinds of value. And because it has not made this distinction systematically and forcefully it degenerated into the common idea that the wealth of a community is the sum of the wealth of individuals. Increases in value from obligation that impose obstacles to the satisfaction of desire, or that are exertion-plus, are regressive in the politico-economic sense, while value from production that saves future exertion, or that is exertion-minus, is progressive (George 1981: 260). (Critiquing and removing the institutional, legal and political obstacles created by the “commercial or mercantile system” of political economy is, of course, the great project of Book IV of Smith’s *The Wealth of Nations*.) A progressive and reformist philosophy of economics is therefore both descriptive with respect to the identification of the negative effect of value from obligation on value from production, for example, deadweight losses from income and sale taxes, and normative with respect to its recommendations to remove or reduce monopolistic values from obligation. George likes to use the word “obligation” in this context because it expresses everything that may require the rendering of exertion without the return of exertion. Values from obligation are therefore market destroying and generative of spurious competition, or “effort-imposing activity through domination” (Young 1996: 22). The true, or absolute, value of anything is “the difficulty or ease of acquiring it” (George 1981: 267). High value usually results from scarcity.

The natural economic philosophy of George (1981: 276, 289) views wealth as a “service embodied in material form.” Such notions as immaterial wealth, natural wealth, or natural capital are, in terms of political economy, oxymorons. Production from wealth is not the only purpose of human effort. It is, however, the exclusive focus of a science of political economy. George’s treatment of capital has been generally criticized. In terms of the first law of political economy it is not difficult, however, to understand how capital, by increasing the sum of satisfactions, is exertion-minus. Capital suspends the time in which a given exertion shall be utilized. Capital changes the timing of the exercise of exertion that is utilized in the satisfaction of desire. This enhances efficiency and minimizes exertion. It is the calling of past exertion to present exertion.

In a well known statement, George (1981: 295) declares that “all capital is wealth, but not all wealth is capital.” It is very difficult in our capital intensive culture to imagine the creation of wealth without capital. There are three key concepts in George’s view of the relationship between wealth and capital: power, permanence, and utility. In a summary passage George (1981: 296, 301, 406, 413–415), who principally conceptualizes wealth as a “storehouse” or “halting-place,” states:

Wealth, in short, is labor, which is raised to a higher or second power, by being stored in concrete forms which give it a certain measure of permanence, and thus permit of its utilization to satisfy desire in other times or other places. Capital is stored labor raised to a still higher or third power by being used to aid labor in the production of fresh wealth or of larger direct satisfactions of desire.

All three concepts are linked to the basic idea of economization in wealth-production. The storage of labor in certain concrete forms has an inherent labor-saving power. The second power or capacity for satisfying desire is not capital *per se*. Rather, it is a concrete form that can be used at a later time or different place in the direct satisfaction of desire. Capital is stored labor raised to a third power because it is used in the production of more wealth and not in direct satisfaction. Capital is then a form of investment in the wealth-creation process. In the final analysis, capital is resolvable into labor. It is what generally makes the process of production continuous. Capital, in the economic

sense, must therefore be involved in the creation of value from production, that is, in the changing of matter in place, form, or condition in aid of further production or in the satisfaction of desire.

Value from production is an economizing process of the more efficient utilization of capital in terms of its inherent power, permanence, and ease of utilization. As the Greater Leviathan progresses such values are constantly diminishing. As more wealth is produced through technological innovation and the replacement of labor by capital, there is a diminution of the value of articles associated with economic production. On the other hand, the values associated with obligation tend to increase as society advances. There is thus an inverse relation between wealth and the two forms of value. As wealth increases, value from production decreases and at the same time value from obligation increases (George 1981: 311). This paradox of true wealth leading to the destruction of value and spurious or relative wealth augmenting a pseudo-value is the direct cause of the tremendous maldistributions of wealth in modernity. And it is these maldistributions that cause the great social and political upheavals that plague modern civilization.

Socio-Political Institutions and Economic Reform

To consciously or unconsciously design socio-political and economic institutions that run counter to the natural law is, for George (1981b), the main cause of the many ills that plague economic life and society. (The effect of institutions on prosperity and poverty is the focus of "neo-institutional economics," whose main spokesperson is 1993 Swedish Bank Prize winner Douglass North.) That which impedes and perverts these the relations between the active and passive factors of production undermines economic justice and contradicts the natural laws that permeate the inner structure of political economy. The principal economic malaise of modernity, in George's view, is not that we have incompetently managed our economies, or collected insufficient data on wages and capital formation, or paid slight attention to the poor and unemployed, but that we have failed to come to grips intellectually with the conflict between the structure of our socio-political institutions and the natural laws of economics.

There is a fundamental distinction in *The Science of Political Economy* between the laws of production, which are physical laws, and the laws of distribution, which are moral laws (George 1981: 440–453). George declares that, hitherto, political economy viewed production as in accordance with natural laws and distribution a function of human laws. The truth of the matter, in his view, is that both sets of laws are laws of nature. The “is” of economic production and the generation of wealth and the “ought” of the distribution of that wealth are therefore to be found in the same source, i.e., the natural law. But the “ought,” or right or justice, has only to do with that category of the world that we call “spirit,” while the “is” of economic production obviously is concerned with matter and energy. Nonetheless the laws of distribution are just as immutable as the laws of production.

The natural law of political economy is advanced principally through two forms of cooperation, the one directed or conscious, the other spontaneous (George 1981: 391–393). There is both a combination and separation of effort in cooperation. Cooperation itself is elaborated out of the principle of exchange, which is the third of the three modes of production after adapting and growing (George 1981: 332). George's two kinds of cooperation are a naturally logical division of the methods of action, union, and initiative with respect to the development of the economy of labor. Directed or conscious cooperation proceeds from without and is guided by a controlling will. Spontaneous or unconscious cooperation proceeds from within and is a correlation of the actions of independent wills (George 1981: 383).

George's (1981: 391, 412) discussion of cooperation in *The Science of Political Economy* makes clear that intelligence cannot be aggregated and that thought is the originating element of all production. (The utilization of research teams in scientific research is a necessary division of labor given the extreme specialization in today's empirical sciences, but one has to be very cautious with regard to how this limits individual intellectual initiative. This caution is even more pronounced in the social sciences and humanities.) Directed cooperation necessarily results in the non-utilization, or the diminution to some degree, of mental power. The subordination of one human will to another in order to secure certain unities of action and productive initiative will

result in the loss of productive power where a constant application of intelligence is required. Market exchanges by definition are operations that require foresight, calculation, and judgment. Exchange, in George's view, properly belongs to production, not distribution.

Inequalities in the distribution of wealth do not arise from competition (George 1981: 402–403). Competition arises naturally from the first principle of political economy and is non-severable from exchange and cooperation. Competition has the effect of diminishing value, but not wealth. Monopolistic practices that reduce competition therefore reduce cooperation and the reduction of cooperation retards the advancement of civilization.

Distribution, and distributive justice, ultimately deal with how we assign ownership. Ownership is the determination of property, or proprietary interest, in that which is produced (George 1981: 455). For George, the law of distribution and the law of property are different expressions of the same fundamental law. Expediency, utility, institutions, legislation, and human law are not the source of property rights, although expediency and human law are often the justification for such rights. George (1886: 123–133; 1981: 455–459) severely criticizes John Stuart Mill for basing the institution of property on human law. This is not to say that property and the assignment of ownership and various bundles of rights associated with property are not existing systems of laws or historically developed social and political institutions. Legal possession must be clearly distinguished from possession by virtue of the natural law.

George's (1981: 460) fundamental dictum of natural law, that is, the natural laws of distribution, is that there can be no recognition of the ownership of land. Put another way, this is the natural law that gives the product to the producer. Civilization and human development have gone through some extraordinary twists and turns to find the origin of property in human law. Since property in land (nature) is contrary to the natural law, there can be no ethical justification for it. Any attempt to do so is sophistry and a confusion of terms.

All the factors of production have a return, that is, a distribution. There are relations of cause and effect between all the factors of production. There are necessary relations between land, labor, and capital. It is only when these relations are fettered in such a manner as

to return to the privileged holder of some portion of pre-given nature, at the expense of the producers, the results of the "socially conjoined effort" that a conflict arises between human law and the natural law. On the basis of natural law there cannot be any morally justifiable reason for the retention of economic rent by an entity that claims a putative title in positive law. The natural law, for George, has the status not only of origination with respect to institutional law but it is the alembic through which all positive law is to be judged and evaluated.

Social institutions can be in harmony with the natural laws of political economy or they can distort such laws through a complex of dysfunctionalities. This has been very much the case historically. Economic reform is not therefore simply an incremental process of adjustment, but a radical restructuring of hundreds of years of embedded conventions, rules, prohibitions, and obscurities. The definition of "land" in dozens of legal statutes in many countries as that which includes both land and the improvements to the land is an obvious jurisprudential example of systematic obfuscation of definition when it comes to the human law. Such a lack of clarity in the natural law is not possible. Interest-based politics has historically dominated economic institutions. A recognition of natural law, and its ultimate inviolability, would reverse this dominance.

Social Versus Economic Justice?

In a general sense both social and economic justice focus on the social whole. Social justice tends towards the amelioration and equalization of individual capacities. It has been since the late nineteenth century more amenable to interaction with the Austrian subjective theory of value, marginal utility and re-distributive *in personam* forms of taxation, subsidization, and the overall program of welfare economics. Justice as fairness, as procedural, as remedial, and as corrective has not achieved the concrete levels of proximate equality, freedom of opportunity, and security of economic outcomes that many theoreticians of cosmopolitan human rights and progressive international development had envisaged (Jupp 2000: 92–109).

Georgist reformist economics is more radical because it examines civilization from the standpoint of the natural laws that inform all

human institutions and customs and that are sourced in the human will and its external manifestations. Its theory of value is objective in nature, oriented towards the interrelational capacity of human effort and natural materials and forces. It focuses, for example, on *in rem* forms of taxation that would render nugatory the requirement for a re-distribution of wealth and income because it would ameliorate significant inequalities *ab initio*.

George's philosophy, although conservative in respect of open markets, free exchanges, and individual freedoms, radically critiques human institutions so as to bring them into conformance with the natural law. For example, morally unjustifiable taxing statutes such as income taxes and consumption taxes must generally be abolished and replaced by statutes that rely on land value taxation for the operations of the state. Economic justice for George is therefore one of unfettering natural law so that the potential and opportunities of everyone in the community can be self-actualized and not hindered in that self-actualization by unjust positive laws. It is a philosophy that seeks to harmonize natural and positive law.

Social justice is generally seen as not being dependent on the recognition of the natural law. It focuses not only on equality of economic opportunity but even more on equality of economic outcomes. Ben S. Bernanke (2007), the Chairman of the U.S. Federal Reserve Board, stated that the three bedrock principles to which most Americans subscribe are "equality of economic opportunity," "no guarantee of equality of economic outcomes," and "the placement of some limits on the downside risks to individuals affected by economic change." These are the key foundations of the American "market-based" economy.

The attainment of greater equality of economic outcomes is seen as principally a matter of *re-distributive*, not distributive, justice. A status quo is accepted in terms of the production of wealth and some morally justifiable re-distributive decisions are made in terms of apportioning that wealth more equally among the various members and classes of society. Concepts of equality of opportunity, of fairness (perhaps in the Rawlsian sense), and of social utility are often invoked to substantiate such re-distributive policies. Social justice is therefore primarily retrospective and adjustive, not prospective and preventative, as in George's

concept of economic justice based on the natural law. A system of social justice is based solely on positive law with a certain number of utility and rights principles marshaled as the organizing directives for policy formation.

Economic justice, with a reform agenda based on natural law, has reconciliation and harmonization with the inherent structures of production and distribution as its primary characteristic. The reformist agenda of social justice activists tends to assume that there are ineradicable conflicts between the various factors of production and distribution, between economic classes, that equity and efficiency are mutually exclusive, that re-distribution invariably requires trade-offs, and that the best one can hope for is a modicum of the distribution of wealth such that no one absolutely falls below a subsistence level of existence. The achievement of social justice is therefore always a balancing act between the market-based forces of economic efficiency and reward, and the restraints of economic fairness (commutative justice) and of the reasonably equitable distribution of wealth in society. The recognition of the role of natural law in economic thinking and justice is a radical shift away from welfare economics and the regulation of economic behavior by legislative fiat.

Conclusion—Crosscurrents in Social Economics, Natural Law, and Post-Neoclassical Economics

The *Science of Political Economy* is rooted in and in some senses is the culmination of the tradition of classical political economy. The marginalist revolution of Alfred Marshall, Stanley Jevons, Carl Menger, and Leon Walras (for a good discussion of the “marginalist revolution,” see Médaille 2007: 63–71) was already inaugurated in the first half of the 1870s even before the publication of George’s *Progress and Poverty* in 1879. George was also competing against a powerful subjectivist theory of value that originated in the Austrian school of Eugen Böhm-Bawerk, Friedrich von Wieser, and many others. He thought of most of his contemporaries in the marginalist, Austrian, and historical schools as unscientific and incoherent. It was these schools that prevailed in the twentieth century.

Natural law has always been invoked by a panoply of writers in economics and philosophy to underwrite a particular set of indisput-

able claims or chain of such claims. In the Enlightenment natural law was often associated with scientific naturalism and the shedding of metaphysical and theological first principles. By reverting to marginal utility as a first principle, economics in the second half in the nineteenth century was able to treat the three distinct factors of economics, and the returns to those factors, as uniform and homogenous. Nevertheless, the distribution of income in society, according to John Bates Clark ([1899] 1965: v), a leading figure in the neo-classical school of economics, was “controlled” by a natural law. (For an excellent analysis of the neoclassical treatment of George’s philosophy of economics, see Gaffney (1993).)

Every agent of production is an owner of an input who gets a justifiable return in the production function. This return or the receipt of “the amount of wealth that each agent creates” is a factor payment. Factor payments consume all the values of the total output and thus there is no such thing as “surplus value” or anything that is over and above the inputs of the agents of production. There is no economic rent, no wages, and no profit. Clark’s controlling natural law was a soulless, mechanistic, and mathematized system of market pricing based on utility-maximizing self-interest.

George’s retention of the qualitative differences between the factors of production and his single-minded identification of economic rent as a non-economic surplus value that must be appropriated for society on moral grounds was utterly out of step with the abolition of such moral distinctions in the marginalist revolution. George’s philosophy depended on a very strong evaluation of the qualitative uniqueness of economic rent in both the ethical sense as well as in the sense of it being a peculiarly unavoidable aspect of functional distribution. This distribution had to precede the science of exchanges and their associated systems of corrective justice, according to natural law, as Aristotle had established in the *Nicomachean Ethics*. The marginalist revolution inverted the classical statement of justice. The consequence for political economy was that social justice now became merely a matter of doing something to ameliorate the human condition after all the agents of production receive the amount of wealth they create.

Georgist reforms contribute to social economics by concentrating on economic justice in the Greater Leviathan. The post-neoclassical

revolution is taking many forms. George's theory of the recapture of economic rent for social purposes is an inescapable part of that revolution. After more than a hundred years of marginalist and neo-classical hegemony the science of economics is returning to its ethical and classical roots. The land issue, nature, and the environment generally are no longer understood as simply a factor input. Equally, the recognition of the power of economic rent, especially urban ground rents, in the distribution of income and wealth has once again made George's philosophy of economics a guide for reforms in public finance, the alleviation of poverty, and long-term stewardship of the environment.

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