Cathrein’s Careless Clerical Critique

BY ROBERT V. ANDELSON

Perhaps the most influential Continental European critic of Henry George was Father Victor Cathrein (1845-1931), a Swiss-born Jesuit who wrote extensively on ethics, jurisprudence, and political economy, as well as on purely religious themes. His impact may be gauged by the fact that two of his works, Der Sozialismus and Moralphilosophie, went into twenty or more editions; the great Protestant theologian and social ethicist, Emil Brunner, cites him in The Divine Imperative no less than fourteen times as a definitive representative of Roman Catholic thought.

Cathrein’s attack on George originally appeared in 1887 as a series of articles in the Stimmen aus Maria-Laach, published by the German Fathers of the Society of Jesus. It was preceded in the same journal five years earlier by a series in which Cathrein sought to refute Émile de Laveleye’s contention that private ownership of land is a relatively recent and unnatural development. The New York Freeman’s Journal issued an English translation of both series, from February 18th to April 28th, 1888, and the following year they were updated, enlarged, and brought together in a single volume by President J. U. Heinzle, S. J., of Canisius College in Buffalo. It is to this volume, approved by Cathrein and entitled, The Champions of Agrarian Socialism, that we shall be referring in the ensuing pages.

With the first chapters of the work we need not concern ourselves, for they deal with Laveleye and his historical research. George, it is true, accepted the conclusions of this research, but, as Cathrein concedes, his chief arguments do not rest upon it.

Cathrein opens his critique of George with an attempt to “give the Devil his due,” saying that “in unflinching consistency and in powers of agitation” the author of Progress and Poverty “leaves all his predecessors far behind.” He credits him with “a clear mind” and “extensive knowledge,” with a “luminous” and “eloquent” style, and with having “occupied himself seriously with the study of the questions he proposes.” He then attempts to show in the forty-eight remaining pages that George was muddled, inconsistent, and either ignorant of or oblivious to obvious economic facts.
George's main arguments are based upon considerations of political economy, on the one hand, and of ethics, on the other. The arguments from political economy with which Cathrein takes issue are those which hold that with increasing productive progress an ever-increasing portion of a nation’s wealth flows to the proprietors of land, to the prejudice of both labor and capital.

The demonstration for this is treated by Cathrein under the form of two proofs, one of them taken from “Ricardo’s Law of Rent,” which the priest recognizes as being accepted as correct by most economists. According to this law, the rent of land is determined by the excess of the produce of a given parcel over that which the least productive land will yield with the same application of productive power. Therefore, reasons George, the return of the poorest land in use represents the highest limit of that portion of the product which generally goes to labor and capital even in the best locations. Everything above the limit goes to the landowner as ground rent. As more and more land is utilized due to the growth of population and the increase in economic activity, less and less desirable land is increasingly brought into use, and wages and interest drop accordingly while rent goes up.

Cathrein begins by attempting to show that this account is factually inaccurate. He produces statistics (derived from the second edition of G. Schoenberg’s Handbuch der politischen Oekonomie) to establish that notwithstanding a vast advance in population and total revenue in Great Britain over the preceding four decades, the share of national wealth going to income from landed property had sharply decreased. (What is true of Britain, he says, may also be asserted of continental Europe, adducing as evidence the complaints of landed proprietors, both great and small, in Germany and France.)

The reliability of these statistics is open to dispute, for one cannot but question whether they reflect the rent of all land or merely land devoted mainly to agricultural production. For example, Cathrein separates the income from “houses” (buildings in general) from the income from land alone, but does not specify under which category he subsumes the income from the land upon which the houses stand. Since all of his examples and remarks pertain to husbandry, and since the discrete valuation of sites and improvements is a practice that did not come into common use until a later date, it is by no means improbable that he (or Schoenberg) made the error of including with income from houses considerable revenue that ought to have been attributed to land.

Cathrein goes on to say that George takes a one-sided view of the case, considering only the causes that raise rent, while almost entirely losing sight of those which make it decline. His discussion here relates exclusively to agricultural lands, and clearly betrays his persistant failure (shared by Father Juan Alcázar Alvarez, another priestly European critic of George dealt with in this volume) to bear in mind that it is not agricultural but rather urban and industrial sites that yield the highest rent. An adequate critique of George on this point would have required that Cathrein demonstrate that rent is subject to forces that cause its diminution in all locations, not just in those where it is
normally relatively marginal in any case.

Our cleric then turns his attention to George's second proof that rent tends, with progress in production, to swallow up an ever-larger percentage of the national wealth. This is the contention that, in spite of increasing productivity, interest and wages as a relative portion of the total revenue do not increase, and that consequently rent must increase.

With respect to interest, Cathrein maintains that if by interest is understood the return to any particular capital investment, the statement may be correct. But if by interest is understood the aggregate return to all existing capital, the statement "taken in its generality" is untrue. He asserts that while the rate of interest may decrease because of decreasing risk, the amount may increase because of increased capital investment.

Cathrein's reasoning in this passage contains three flaws: First, George, following accepted practice in political economy, explicitly excludes the rewards of risk from his definition of interest. Second, if one ignores Cathrein's mistaken explanation for the decrease in the rate of interest, and simply accepts his observation that the rate may decrease while the amount increases, the observation, far from refuting George's argument, merely underscores the fact, emphasized by him, that capital, unlike land, is elastic, and that its return per unit diminishes with enhanced supply. Finally, Cathrein confuses amount with proportion. George never denied that the total amount of interest may expand with greater capital investment. He was instead concerned to show that the proportion of the total product going to interest decreases relative to that going to rent. In asserting the former idea, Cathrein thinks that he has destroyed an argument that actually he leaves untouched.

Having, as he believes, dispatched George's teaching on the decrease of interest, Cathrein assails his teaching on the decrease of wages as equally unsound. This contention is based solely upon the accusation that George is guilty of an inexcusable confusion of terms when he claims that wages, in spite of the increase in productive power, tend to a minimum that will give but a bare living. Cathrein holds that in political economy the word wages properly refers only to compensation for hired labor, whereas George uses it to mean all earnings of exertion. Yet it is, in fact, the latter which, as George notes, is the standard sense in which the term is used by most political economists. Cathrein, who cites Lassalle as his authority, evidently confounds socialist usage with orthodox usage!

"We would be at a loss," he comments, "to name a political economist who ever dared to affirm that all income from labor falling to manufacturers, merchants, bankers, etc., tends to a minimum which will give the bare necessities of life. They affirm this only of those working for hire, especially of operatives in factories." George, in point of fact, does implicitly affirm precisely that which no political economist, to Cathrein's knowledge, dares affirm. But to say that all earnings of exertion tend to such a minimum is not to say that they all reach or equally approach it. One need but peruse George's discussion of the differences between wages in different occupations to understand why those who engage in certain callings are protected from the full impact of this tendency. As for the wages of superintendence in mercantile pursuits, George remarks that they largely resemble the prizes in a lottery, in which the great gain of one is made up from the losses of many others—as
But the presumed negation of George's economic arguments is, for Cathrein, mere prologue. He now assumes his more accustomed role of Christian moral philosopher, and essays to challenge George on grounds of natural right. Here the two are at least agreed upon a common point of reference: the belief that there is such a thing as natural right, stemming from the will of a beneficient Creator—a point of reference that does not obtain between George and some of his other critics, Seligman for one.

Private property in land, says the American theorist, not only exercises a baneful influence upon the distribution of wealth, but is contrary to the dictates of justice. True, he holds that, for pragmatic reasons, land titles should be left in private hands, but he would cancel the monopolistic advantage that accrues from their possession by appropriating (without compensation) all but an insignificant fraction of ground rent to the community. No legitimate claims would, he insists, be violated by such appropriation, for the advantage is ethically indefensible.

This proposition he deduces from the principle, enunciated long before by Locke, that the rightful basis of property is "the right of a man to himself, to the use of his own powers, to the enjoyment of the fruits of his own exertions...As a man belongs to himself, so his labor when put in concrete form belongs to him." George considers that the natural right of an individual to himself and therefore to his labor is the original and exclusive source of legitimate ownership. There can be no other true justification, he avers, because there is no other natural right from which another justification could be derived, and because the recognition of any other justification would be inconsistent with and destructive of this natural right. Since land is not the product of human labor, says George, its private ownership cannot be justified by the right of the individual to the fruits of his labor. Further, "since the right to the produce of labor cannot be enjoyed without the right to the free use of the opportunities offered by nature, to admit the right of property in these is to deny the right of property in the produce of labor. When non-producers can claim as rent a portion of the wealth created by producers, the right of the producers to the fruits of their labor is to that extent denied." Such is the argument against which Cathrein addresses his forensic efforts, seeking to disprove that labor is either the original or the sole source of ownership. We need not occupy ourselves at length with his comment that because man belongs to God, George errs in affirming that he has a right to himself. The affirmation has to do with temporal relationships, not with man's relationship to his Creator. In this connection it is worthy of note that Locke, in the same work in which he formulates the principle upon which George builds his moral case, flatly proclaims that "men, being all the workmanship of one omnipotent and infinitely wise Maker—all the servants of one sovereign master, sent into the world by his order and about his business—they are his property whose workmanship they are, made to last during his, not one another's pleasure." It is inconceivable that George, whose works are
luminous with Christian fervor, did not unreservedly endorse this sentiment. Labor is not, said Cathrein, the original source of ownership. He grants that all men are divinely endowed at birth with a general right of acquiring property, but this right exists prior to labor, and is not logically restricted to things produced by labor since it is merely a general right that does not apply to the possession of determinate entities.

First occupancy, not labor, Cathrein maintains, constitutes the original title to the permanent possession of determinate goods. He who first appropriates an ownerless good violates by that action nobody’s right, but only exercises the right vested in himself of acquiring property. With the death of the first proprietor, the title ceases to be occupancy and becomes hereditary succession. If George wishes to deny the right of inheritance, “he must do so with regard to movable as well as in the case of immovable goods, or at least he must demonstrate why immovables, and not moveables, should be inheritable.”

Cathrein’s terminology here reflects a careless reading of Progress and Poverty, where George specifically dismisses as unphilosophical the distinction between things movable and immovable, in favor of that between labor products (wealth) and the gratuitous offerings of nature (land). The reason, of course, why George denies the right of inheritance in land as opposed to labor products is simply that he is unwilling to concede that anybody ever had a right to own it in the first place—if ownership be interpreted to include the retention of whatever ground rent it may possess or acquire. First occupancy may justify security of possession, but, as Locke observes, this can hold only where “there is enough and as good left in common for others,”—that is, as long as the land in question has no market value. Once ground rent, the measure of monopolistic advantage, has arisen, security of possession cannot be rightfully retained, according to George, unless that rent be turned over to the community as a compensation for the deprivation thereby sustained by its other members.

George attacks the principle of first occupancy with striking illustrations: “Has the first-comer at a banquet the right to turn back all the chairs and claim that none of the other guests shall partake of the food provided, except as they make terms with him? Does the first man who presents a ticket at the door of a theater and passes in, acquire by his priority the right to shut the doors and have the performance go on for himself alone?”

Cathrein tries to answer the objection by discussing the second of these illustrations:

He who appears first in a theatre has not the right to exclude others from the theatre, but he has the right to choose his seat and to hold it against everybody else. Whosoever would remove him from his seat would wrong him. Just so it is with the occupation of this earth... He who makes his appearance on earth first, may choose at pleasure his dwelling place. He may fence in his field and build his house, and call both his own, as long as he lives. Those who come later may likewise choose their dwelling place but they have no right to drive away the first-comer from his house and home.

This seems plausible enough until one considers that in the theater of the earth some have chosen for their exclusive disposal “seats” capable of ac-
commodating hundreds and even thousands, while others must pay them scalpers’ prices to be permitted any space in the theater at all.

The same right to choose a place, said Cathrein, belongs to the posterity of the first occupants until the theater is full—until the last spot on earth has found an owner. “Such a time, however,” he opines, “is still in the distant future.” Today that future does not seem so distant, particularly if one finds no enchantment in the prospect of settling in the Amazon Basin or the Arctic!

Where population increases greatly, admits Cathrein, ground will not, of course, remain free. But in this world it is not necessary for success that a person be a landowner. The recognition of private property in land is not (as George interprets it as being) equivalent to the contention that some have a better right to exist than others. All men have the same right to live. Yet from this right to live it does not follow that all should have a right to the actual possession of the same means of securing their existence. “If it is true that he who calls himself the owner of a piece of ground thereby claims a better right to life, the very same is true of mill-owners, of bankers, of business men.”

What the learned Father seems to have ignored in his comparison is the fact that ultimately production cannot occur without recourse to land (which term, of course, encompasses all natural resources). The industrialist, the financier, the merchant—all perform useful services in the productive process. But they are permitted to perform them only if they pay a tribute to the landowner. What does he do to earn this tribute? He did not produce the land. It existed before him, and his ownership, as such, does nothing to give it economic utility. His sole function, as owner, is to reap the harvest of monopoly.* Thus would George reply to the last argument.

Cathrein, however, has another string to his bow. Confident that he has proved that labor cannot be the original title of ownership, he now sets out to demonstrate that it cannot be the sole title either.

“If production,” writes George, “gives to the producer the right to exclusive possession and enjoyment, there can rightfully be no exclusive possession and enjoyment of anything not the production of labor, and the recognition of private property in land is a wrong. For the right to the produce of labor cannot be enjoyed without the free use of the opportunities offered by nature, and to admit the right of property in these is to deny the right of property in the produce of labor.”

His Jesuit assailant seeks to reduce this proposition to absurdity by setting up the following analogy: “The right of a carpenter to the tables he makes cannot exist without the right of freely felling the timber for their manufacture. Hence no one else can have a vested right to a forest.” But does this analogy succeed in its objective? After all, the carpenter’s cost of producing the tables must include the price of the wood. To the extent that that price includes in turn a payment to the owner of the forest simply in the capacity of owner, is not his right to the tables indeed impaired? Of course, we are assuming here that the timber is not the result of artificial forestation, for in that case it would be a labor product and could not be subsumed under the

*See n. 32 to chapter 24 on Msgr. John A. Ryan.
category of natural opportunity. But if it be virgin, its price, apart from that portion attributable to felling, dressing, and transportation, is clearly an exaction of monopoly.

George, says Cathrein, evidently confounds the right of the produce of labor with the right of producing, that is, of working. Everyone has the right of producing, but if he is not in the possession of any raw material, he must dispose of his labor to another, and then he has the right to wages. "But in this case the produce of his labor belongs not to him, but to the proprietor of the material, who hired him."

Four years after the original publication of Cathrein's critique of George, much the same reasoning as the above appeared in a historic document signed by his ultimate temporal superior: Leo XIII's famed encyclical, Rerum Novarum. There we read that even though divided among private owners, the earth does not cease to minister to the needs of all, since those who do not possess land can obtain its produce by selling their labor. George has a powerful rejoinder to this assertion.

Suppose that to your Holiness as a judge of morals one should put this case of conscience:

"I am one of several children to whom our father left a field abundant for our support. As he assigned no part of it to any one of us in particular, leaving the limits of our separate possessions to be fixed by ourselves, I being the oldest took the whole field in exclusive ownership. But in doing so I have not deprived my brothers of their support from it, for I have let them work for me on it, paying them from the produce as much wages as I would have had to pay strangers. Is there any reason why my conscience should not be clear?"

What would be your answer? Would you not tell him that he was in mortal sin, and that his excuse added to his guilt? Would you not call on him to make restitution and to do penance?

Proceeding with his polemic against the idea that labor is the sole justification of ownership, Cathrein discusses George's dictum: "When non-producers can claim as rent a portion of the wealth created by producers, the right of producers to the fruits of their labor is to that extent denied."

"Certainly," he retorts, "when this is the case; but it is never the case." This astonishing asseveration he bases upon the truism that "the productiveness, or utility of the soil is a decisive factor in the determination of its value or its rent." He thinks that because George says that rent does not arise from the natural capabilities of land, and simply represents the power of securing a part of the results of production, George denies that these natural capabilities have any bearing upon it. "An estate on the Rhine or on the Meuse is much more valuable than one of the same extent in the Eifel or in the Hartz mountains. Why so? To know the reason, one need have made no deep studies in political economy. Any peasant might teach our economist that this fact arises from the greater productiveness of the land watered by the Rhine and the Meuse."

Yet this caustic sally is to no purpose. For a close reading of the relevant passage makes it evident that George is not claiming that natural utility has no bearing upon rent, but rather that no amount of natural utility can create rent.
in and of itself. "I may have very rich land, but it will yield no rent and have no value so long as there is other land as good to be had without rent. But when this other land is appropriated, and the best land to be had for nothing is inferior, either in fertility, situation, or other quality, my land will begin to have a value and yield rent."

But Cathrein is not merely guilty of misreading George; he is also guilty of confusing the productivity of land with that of landowners. Even if George had, as Cathrein imagines, claimed that the utility of land has no bearing upon rent, to refute this claim would not prove that the landowner is responsible for that utility. It is his bare capacity as owner, and nothing that he contributes to productiveness, that gives him the power to extract rent. How much rent he is able to extract will depend upon the land's natural utility as compared to the best free land, but his ability to extract it is wholly the result of his ownership. Thus George writes: "Rent...is the price of monopoly, arising from the reduction to individual ownership of natural elements which human exertion can neither produce nor increase."

Cathrein's next approach is to attempt to show that activities not classed by George as labor also create a valid title to property. He asserts that George interprets the term labor to signify only work involved in material production, and accuses him of ignoring the claims of those whose services do not lead to the cultivation or fabrication of material goods. He attributes this restrictive view to the American author for no reason other than that George declines to acknowledge that the exertion (such as it may be) attendant upon mere occupancy creates just title. But surely Cathrein would not classify the exertions of a thief as labor properly so-called, and George considers occupancy at society's expense a form of theft. He is at pains, on the other hand, to make clear that by labor he understands all exertions creative of value, whether material (goods) or nonmaterial (services). I am at a loss to explain this curious error on Cathrein's part, for even if George had not explicitly recognized the creation of nonmaterial value as a form of labor, his refusal to accord that dignity to occupancy would scarcely demonstrate a denial of it to intellectual, spiritual, and other nonmaterial efforts. Possibly the Jesuit, overlooking George's insistence upon the interchangeability of goods and services in the market, assumes that since George defines wealth as consisting of material goods, only those whose labor produces material goods are considered by him to have a right to acquire wealth.

Cathrein concludes his assault upon the labor theory by denying that "the amount of a man's temporal possessions ought to depend on the amount of his labor, either productive or non-productive." Such a principle, he says, demands an impossibility, and therefore cannot be founded on natural right. For "who is to determine how much and how long everybody has worked, or how much each individual's labor is worth or can demand, in order that the distribution of products be just?"

George, however, does not think of measuring labor in any such mechanical sense. He is satisfied that the just distribution of products could be achieved by that reciprocal exchange of satisfactions which we call the market, if only the monopoly of natural opportunity were done away with. According to Cathrein, the alleged impossibility of measuring labor is evidence that the Almighty does not wish equality in earthly possessions. But
the labor theory of ownership is not a rationale for equality of possessions. What it calls for is equality of natural opportunity—"a fair field and no favor." It does not seek to level down, or to compensate for differences in genetic endowment; all it asks is the abolition of artificial barriers to the use of the resources supplied by God. Cathrein appears to confuse George with Marx by equating the demand for equality of natural opportunity with the demand for equality of possessions.

III

His economic and moral arguments complete, the Reverend Father moves to strictly theological arguments in the final section of his treatise. However, he begins this section with an excursus on the Irish Question to illustrate his claim that first occupancy gives moral foundation to the permanent proprietorship of land, for he thinks it probable that sympathy with the plight of Ireland had much to do with the formation of George's theory. This conjecture may put the cart before the horse; still, it is not altogether implausible. It was in the context of an editorial on the Irish situation that George, the year before his socioeconomic broodings crystallized in the hills above the eastern shore of San Francisco Bay, first published his belief that every individual has a natural right to land. 34

Cathrein does not hesitate to endorse the proposition that the soil of the Emerald Isle has, in great part, been unjustly taken away from the Irish people, and ought to be restored to them. By this, however, he means not that the land should be owned by the Irish as a community, but that the principle of first occupancy gives them the right (usurped by the British) to own it as individual proprietors. "Undoubtedly," he says, "the primitive settlement of the island took place gradually by immigration and propagation. The first families, as soon as they had settled, took possession of a sufficient piece of land as their private property, and those who came after them did the same, until at length the entire island was peopled." Unfortunately for the relevance of this account, historians tell us that Ireland was conquered from its original inhabitants by the Celts beginning around 400 B.C. Most of the modern Irish, therefore, have little better claim to the land on the basis of first occupancy than do the British.

With the Irish Question out of the way, our cleric devotes his attention in the remaining pages to more narrowly religious considerations. Life on earth, he declares, is but a preparation for the hereafter. Inequality of temporal goods is an important, divinely appointed means for obtaining life eternal. The rich and the poor stand in symbiotic relationship to one another: the existence of each serves to help fit the other for eternity. The rich man needs the poor, not only on account of the services with which their labor provides him, but still more because they afford him occasions for the practice of Christian charity and thus for earning merit toward heaven. The poor man needs the rich to teach him to bow in humility and stretch out his hands for mercy, while his poverty at the same time detaches his heart from earthly things and directs him to the hope of abundance in the life beyond. He who reflects that true piety has to do with motives other than the wish to garner claim-checks on a happy afterlife cannot but be spiritually repelled by the low prudentialism of this
passage. After reading it, one finds it easy to understand why Marx called religion "the opiate of the people."

Of course, Cathrein protests that he does not mean to plead for pauperism. Excessive poverty, he admits, is no less a source of moral corruption than is excessive wealth, and widespread moderate prosperity is a proper goal of wise social polity. But the complete abolition of involuntary poverty is a foolish because unfeasible enterprise; "the poor you have always with you."

The necessity to work hard for a living, he says, accords with the plan of Divine Providence, and was decreed as a result of Adam's fall. He charges George with wanting to make the masses believe that he has found the means to transform this world into Paradise, fostering useless discontent by misleading them with promises of things impossible.

It must be conceded that George's rhetoric is, in spots, more than slightly overblown. The sober contemporary reader of Progress and Poverty would be more comfortable if the program enunciated therein were presented as a method of substantially reducing poverty rather than of wholly extirpating it. And he is not likely to be reassured by the rhapsody in which George identifies the blessings of a triumphant single tax with "the city of God on earth, with its walls of jasper and its gates of pearl!" Still, despite this verbiage (which reflects, at least in part, the tastes of the day in which he wrote), George does not promise a utopia where abundance will prevail without toil. On the contrary, he makes exertion the title to ownership—a far more biblical posture than is presented by Cathrein's first-occupancy theory. According to the latter, Adam and Eve should logically, as first occupants, have remained, even after their fall, the proprietors of Eden and its bounty.

Cathrein closes his book with a homily calling for moral and spiritual regeneration as the only basis for social regeneration. "Society must return," he says, "to Christ." Yet how much easier this is for those of its members who are able to affirm with Henry George that God, far from being the author of human misery and want, has provided in the laws of economics, if rightly understood and implemented, the way to a social order marked by justice and freedom of opportunity for all!

Notes

2. Ibid., p. 77.
3. Ibid., p. 85.
7. Ibid., p. 17 and passim.
8. Ibid., pp. 32 f.
10. Ibid.
12. Ibid., p. 209.
13. Ibid., p. 334.
15. John Locke, *The Second Treatise of Government*, chap. 2, par. 5. The treatise was originally published in 1690.
24. Ibid.
29. Ibid.
31. Ibid., p. 167.
34. George in the San Francisco Monitor, 11 September 1869.