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A MODERN ECONOMIC SCIENTIST'S APPRAISAL OF HENRY GEORGE

Perhaps an explanation of the phrase "modern economic scientist" is desirable in this brief introduction. A modern economic scientist is one who is attempting to understand the scientific method as it has been developed in various fields and to apply all pertinent aspects of that method in the general field of economics. A modern economic scientist believes that this procedure is the only road to what will ultimately be accepted as knowledge in the centuries that are to come.

Background and Perspective

In order to appraise any man justly, his life and work must be seen against the background of his times and with the perspective gained from an understanding of the broad and deep historical trends. For this background and perspective we therefore turn to consideration of the Great Revolution that has occurred in Western Civilization.

Several hundreds years ago Western Civilization consisted of many vast feudal estates, innumerable peasant holdings of small farms, uncounted villages and towns, and a few cities, small by today's standards. For the most part, men lived as their fathers and grandfathers before them had lived; folk lore and superstition were generally considered the intellectual keys to understanding, and scientific knowledge as we think of it today was almost unheard of; class distinctions were rigid in many parts of the civilized world; village industry was controlled by the guilds and other authorities; progress was not generally expected and often was not tolerated; most men were slaves, seemingly held in perpetual bondage by custom, fear, ignorance, and superstition. Only the more fortunate who had been granted dominion over the earth and the fruits thereof, seemingly by an inscrutable Providence, could live much differently than did beasts of burden in that almost forgotten age.

Nevertheless, within that civilization an idea began to find increasing acceptance. In a word, this was the idea that individuals might be free; but its scope developed gradually, and even today we are not sure that we grasp its full implications.[1]

Aided by many circumstances that need not be described in detail, this idea of freedom found more and more disciples. It attributed worth and dignity to the individual man; and, as men gradually and almost reluctantly accepted this new idea, they accepted likewise many increased responsibilities that fostered individual growth in countless ways.

Intellecutal freedom opened the doors to the new frontiers of science. As a result, technological progress arose like a giant from sleep to aid the wealth-producing activities of men. Here in North America circumstances were most propitious for a civilization based on the idea of freedom. The results we are familiar with; but the magnitude of them is sometimes overlooked, because to us they have become commonplace.

Freedom found acceptance in parts of Europe also. Major social changes marked its advent, and great material progress was one result. However, in much of that area the great revolution never was so successful as it was in the United States. Apparently in only two countries of Europe, Denmark and Switzerland, has the great revolution maintained its gains or progressed in recent decades. In fact, during Henry George's maturer years, retrogression was becoming evident in much of Europe.

Even in the United States, complete freedom was not reached. Conditions there differed greatly in many respects from those in the Old World; but we now realize that various laws and customs carried over from the Old World had the effect of denying freedom, at least in some degree, to many of the people of our own Nation.

The results of imperfect or partial freedom were not all good. Great material progress came, but the greatly increased production of wealth was not equitably distributed to those who produced it; as a result, 12- and 14-hour days for women and children were common in the factories of England, more extensive and more degrading poverty pervaded the slums of Europe, and urban and rural slums developed in the United States.

So striking did the increasing maldistribution of wealth become that many men abandoned the battle for freedom and turned back, thus the counterrevolution within Western Civilization was born. For the past hundred years the counterrevolution has been gaining strength. Its basic ideas were developed earlier by the utopian Socialists and were organized as counterrevolutionary doctrine by Karl Marx and his followers in the three decades just prior to the first publication of Henry George's book *Progress and Poverty*. Those ideas of the early Socialists are the roots from which modern communism, socialism, fascism, the New Deal, and the Welfare State all have grown, but in Henry George's day few men had the vision to see that socialism was the counterrevolution within Western Civilization.

Such was the world, especially Western Civilization, as Henry George found it. The broad and deep historical trend toward freedom for the individual man of our civilization must have seemed like a great tidal wave that

[1]Men are free to the extent that the culture or society in which they live permits them to plan and choose their goals, provides equality of opportunity to act effectively in pursuit of those goals, and permits them to retain the fruits of their labors.

This address was presented by E. C. Harwood, Director of American Institute for Economic Research at the Eighth Annual Conference of the Henry George School of Social Science in Montreal, Canada, July 12, 1952.

was beginning to lose its strength and forward momentum. Confidently expected benefits for the common man had not materialized or, where they had materialized in part, were also accompanied by degrading influences such as those in the slums of growing cities that seemed destined to crush all the manliness from men.

Under such circumstances freedom itself seemed more a curse than a boon to much of mankind. The counter-revolution with its roots in utopian socialism was but a natural reaction for innumerable men of good will and limited intellectual capacity.

And lest we disparage too greatly the intellectual capacity of those who failed to understand that special privilege rather than too much freedom was at the root of the problem, we should consider other environmental factors of the times.

Education in most institutions of higher learning was still dominated by the viewpoints of various religions or by the similarly entrenched and equally unscientific pedantry that also leaned heavily on tradition and authority. The writer who failed to exercise due regard for the religious prejudices of his readers could expect ostracism rather than recognition; and to challenge the lay authorities in the seats of higher learning was to invite the contemptuous silence of those who regarded opposition to accepted doctrine as an exhibition of ignorance unworthy of serious consideration.

Fortunately, Henry George's perceptions were not blinded by any religious dogmas and his curiosity was not dulled by any doctrines professed by schoolmen. He could no more bow his head in prayerful assent as the professional divines urged men to serve humbly in that station of life where God had pleased to place them than he could accept without question the obviously questionable, because illogical and contradictory, doctrines of the professors.

Henry George, The Scholar

But keen perception and curiosity alone do not enable a man to make a significant contribution to the advance of knowledge. Coupled with these attributes must be the indefatigable eagerness to toil "to the heart of the subject along the rough road of thorny problems," as Francis Nielson has expressed it.[2]

Realizing that the knowledge he could gain from observing what was going on before his eyes was inadequate for the purpose of scientific generalization, Henry George became a scholar determined to examine all of the pertinent factual reports by contemporaries and predecessors and all of the theories espoused in the textbooks of his and earlier days. His success in this seemingly superhuman undertaking is attested to by Francis Nielson in the following comments:

"No matter how often I return to the book [*Progress and Poverty*], I am more and more impressed with the fact that George reveals * * * a thoroughness of review which covers all the known works of the chief economists who wrote in English in the eighteenth and nineteenth centuries.

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"In *Progress and Poverty* evidence comes before us time and again that George knew his English history. * * * George saw to the very heart of the problem which both Macaulay and Edmund Burke failed to touch.

"There is a passage to which I wish particularly to draw attention because it not only reveals the quality of George's knowledge, but to a great extent, the depth of his thought. He is dealing with two fascinating problems; first, the physical improvement in the race; and second, the mental improvement in it. These are questions with which the greatest thinkers from age to age have grappled in an attempt to reach a decision.

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"The wealth of illustration, the plentitude of example that George brings to bear upon evil economic conditions must impress any intellectual man with the fact that within a few years (perhaps eight or ten at most), he literally combed the histories of his time for the abundance of material he used. Indeed, he has made it easy for any young man of inquiring mind and persevering spirit to make of himself a well-informed individual in a fourth of the time that it took George to gather his knowledge."

If there is a scholar familiar with the English language who is better qualified than Francis Nielson thus to appraise Henry George, I do not know of him. Nor have I ever seen a criticism of George's work that could be considered even in a slight degree a refutation of this appraisal. For me to endorse it would imply that I am equally qualified to judge, which is not true; but I think that we can safely accept this evaluation of Henry George.

Henry George, The Scientist

The methods of scientists have been developing for many centuries. To some extent the methods differ in the various fields, and in the social sciences the development of methods has lagged far behind the progress in other fields.

Only in recent decades have the methods of science been subjected to painstaking study by men seeking to understand what those methods have in common and how they can be applied successfully in all fields where knowledge is sought. Of the many who have inquired into this problem whose work we have studied, one seems to have stood head and shoulders above his contemporaries and his predecessors. This man was John Dewey.

Sometimes when we read what others say about John Dewey, when we hear him accused of abandoning principles and urging that the end justifies the means, when we see some of the remarkable educational experiments that claim to be his intellectual offspring, we marvel that the ideas of a single man can be interpreted and misinterpreted in so many different ways. Nevertheless, we think there is growing recognition that his understanding of scientific method, of its underlying principles and general trend of development, exceeded in clarity and accuracy the corresponding understanding of any other philosopher. What did he think of Henry George, the scientific philosopher? This is what John Dewey said:

" * * * his, Henry George's, is one of the great names among the world's social philosophers. It would require less than the fingers of the two hands to enumerate those who from Plato down rank with him.

" * * * it is because the present system not only depresses the material status of the mass of the population, but especially because it renders one-sided and inequitable the people's share in these higher values that we find in "Progress and Poverty" *the analysis of the scientist* combined with the sympathies and aspirations of a great lover of mankind. There have been economists of

[2]This and the subsequent quotations in this section are from Francis Nielson's *Henry George The Scholar*, reprinted in "Modern Man and the Liberal Arts," Robert Schalkenbach Foundation, New York, 1947.

great repute who in their pretension to be scientific have ignored the most significant elements in human nature. There have been others who were emotionally stirred by social ills and who proposed glowing schemes of betterment, but who passed lightly over facts. It is the thorough fusion of insight into actual facts and forces, with recognition of their bearing upon what makes human life worth living, that constitutes Henry George one of the world's great social philosophers."[3]

Thus we see that the appraisal of Henry George as a social scientist is fully as favorable as the appraisal of him as a scholar. Considered separately, these are remarkable tributes to his genius; but considered together, they are even more remarkable.

Francis Nielsen is a scholar of the liberal arts and sciences in the classical tradition. But like the writings of others educated in that school, certain of his comments evidence something less than full appreciation of John Dewey's work. Similarly, John Dewey seemed to find difficulty in both understanding and being understood by even the most eminent scholars such as Francis Nielsen. Surely for any one man to have gained the unstinted admiration of both these men in their respective fields, wherein their keen intellects spent fruitful lifetimes, is a remarkable achievement indeed.

Henry George's Great Contribution

Most of the scientific geniuses who have gained world renown have made more than one important contribution and many lesser ones to the accumulating fund of knowledge. Nevertheless, in nearly every instance, the names of particular men are associated with particular landmarks that trace the course of the scientific advance. Their other contributions usually lead to or followed from their major achievements.

In Henry George's work we also find one major achievement that in the centuries ahead seems destined to be accepted as his major contribution to knowledge in the general field of economics. The attention of Henry George's enthusiastic followers has been concentrated on his proposed remedy for social ills and on his logical exposition of the relations between rent, wages, and interest. With reference to these particular aspects of his work, however, Henry George must be credited not with discovery but with clarification.

In Book X of *Progress and Poverty* we find what we at the Institute have come to regard as his great discovery, his unique and original contribution to knowledge of man in society. This section of his work develops what he has called "The Law of Human Progress." It is here that we find the most striking evidence of genius, of the scholar and social scientist as Francis Nielsen and John Dewey have described him.

Much of that section of Henry George's book merits quotation in an attempt properly to appraise his work. However, limitations of time force me to select only the following paragraph.

"In our time, as in times before, creep on the insidious forces that, producing inequality, destroy Liberty. On the horizon the clouds begin to lower. Liberty calls to us again. We must follow her further; we must trust her fully. Either we must wholly accept her or she will not stay. It is not enough that men should vote; it is not enough that they should be theoretically equal before the law. They must have liberty to avail themselves of the opportunities and means of life; they must stand on equal terms with reference to the bounty of nature. Either this, or Liberty withdraws her light! Either this, or darkness comes on, and the very forces that progress has evolved turn to powers that work destruction. This is the universal law. This is the lesson of the centuries. Unless its foundations be laid in justice the social structure cannot stand."

In short, Henry George's greatest contribution is the development of his hypothesis concerning the effects of freedom and justice on the civilization cycle. A later scientist, an anthropologist of commanding stature,[4] has defined freedom more precisely in the words used earlier in this appraisal. "Men are free to the extent that the culture or society in which they live permits them to plan and choose their goals, provides equality of opportunity to act effectively in pursuit of those goals, and permits them to retain the fruits of their labors," but to Henry George belongs the credit for seeing clearly the significance of freedom and justice to civilization. He traced the rise and fall of the civilization cycle as no man had ever done before. He showed how the equitable distribution of currently produced wealth would nourish the individual capacities on which a healthy civilization depends just as the free circulation of blood in the human body nourishes the innumerable individual cells on which health and sanity depend.

This analogy is particularly useful in that it helps us to place Henry George's great contribution to knowledge of social problems in proper perspective. William Harvey's treatise on the circulation of the blood provided an essential link in the progress of medical science. Until that outstanding contribution to knowledge had been made, progress in the study of bodily ills was hampered by ignorance regarding vital functions. Knowledge of the circulation of the blood alone did not provide all the remedies for physical ills of mankind, but without that knowledge progress in treating the ailments of man is difficult to imagine.

So also with Henry George's great contribution to knowledge of the civilization cycle. That knowledge alone does not provide all the remedies for the economic ills of mankind, but without that knowledge progress in treating the ailments of society is difficult to imagine.

I know that some of Henry George's more enthusiastic followers will think that the foregoing appraisal gives him inadequate credit for the usefulness of his remedy; such individuals apparently believe that Henry George provided the knowledge that will enable us to cure all of the economic ailments of Western Civilization. Perhaps some of William Harvey's more enthusiastic disciples similarly believed that his discovery would provide the remedy for all the physical ills of mankind; surely, the fundamental importance of Harvey's discovery would have made such enthusiasm understandable, because the subsequent discoveries of bacteria and other immediate "causes" of specific ills were not even dreamed of in Harvey's day.

But those who are applying the scientific method in the field of economics already know of specific economic ills for which the knowledge contributed by Henry George provides no remedy. For example, serious abuse of the money-credit system resulting in inflation and subsequent deflation can and does cause economic ills comparable in many respects to the effects of some disease germs in the human body. The feverish pros-

[3]These quotations are from John Dewey's "An Appreciation of Henry George," which served as an introduction to *Significant Paragraphs from Henry George's Progress and Poverty*, Robert Schalkenbach Foundation, New York, 1929.

[4]Bronislaw Malinowski, *Freedom and Civilization*, Roy Publishers, New York, 1944.

perity attributable to inflation is like the early stages of many diseases with their accompanying fevers; and the subsequent recession and recoveries of business activity are in many respects similar to the relapse into subnormal activity and subsequent convalescence of the fever-stricken patient.

Henry George's remedy will no more cure a rotting currency than knowledge of the circulation of the blood will provide a cure for pneumonia. Nevertheless, Henry George's contribution to economic knowledge is essenital for those who would preserve the economic health of Western Civilization just as is a knowledge of Harvey's contribution to medical knowledge essential for the physician who would heal men's physical ailments.

Henry George, The Polemicist

Why then, you may ask, do not all economists recognize the fundamental importance of Henry George's work? One popular answer to this question is that the academic economists have an eye to the "side their bread is buttered on," that prudence inclines them to avoid offending the vested interests. However, I am convinced that this explanation is inadequate; it both underestimates the integrity of most academic economists and overestimates the capacity of many for winnowing the grain of scientific knowledge from the chaff of authoritarain doctrine. If the academic economists are so fearful of offending the vested interests, why do we find socialism (sometimes even communism and quite generally at least a one-way road toward socialism) taught in American colleges? The obvious answer seems to be that many deluded men of good will know no better remedy for social ills. We shouldn't blame the earlier psysicians for their lack of scientific progress before they were taught Harvey's discoveries; and isn't it equally unfair and unprofitable to blame most academic economists for failure to be better economic scientists when they were not taught even to define their terms and were not given the foundation knowledge without which progress in their field is all but impossible?

In fact, I think it is actually harmful to try to place the blame for nonrecognition of Henry George's work on the academic economists. It is harmful, because enthusiastic followers of Henry George thus too easily find a means of escape from their own shortcomings; thus they evade the blame for failure that in part may be their own.

Do these seem like harsh words? There is an old aphorism, "God save me from my friends, I can take care of my enemies," and it seems to be applicable in this instance. Henry George was both philosopher-scientist and indefatigable polemicist or propagandist. Albert Jay Nock in his sympathetic essay on Henry George convincingly urges that the reputation of the philosopher-scientist might have been greatly enhanced if he could only have been saved from the well-meant efforts of his other self, the polemicist friend.

Few now remember the circumstances that prevailed when Henry George was personally advocating his remedy, the single tax. Here is an illuminating description of the period. "The decade 1887-97 was one of the most extraordinary periods in all the history of America's fantastic civilization; even the period 1929-39 can do but little more than match its bizarre eccentricities. No one can describe that period; when the philosophical historian engages himself with it fifty years hence, he will think—and with reason—that he has come upon a nation of Bedlamites. Every imbecile socio-politico-economic nostrum that inspired idiocy could devise was trotted out and put in dress-parade for the immediate salvation of mankind. Free silver; the initiative, referendum and recall; farmer-labourism, votes-for-women, popular election of senators, the Wisconsin Idea, populism, prohibition, the Square Deal, direct primaries, Coxey and his army, Carry Nation and her hatchet, Coin Harvey and his primer—the list is without end.

"This incredible irruption of frantic fatuity had serious permanent effects upon the status of George and his doctrines. When it had spent itself and subsided, he was left as merely one more nostrum-pedlar among the many.[5]

And those friends of Henry George and his views who today offer his work as a panacea for all social ills only perpetuate the viewpoint that he was merely "one nostrum-pedlar among the many." The philosopher-scientist still needs your help if he is to be saved from his friends. We may well say of economic matters what John Dewey said of morals, "In the much less complicated and less changing matters of bodily health such pretensions are known as quackery."[6] And we should remember that North Americans today are more sophisticated than their forebears who gaped at the street-corner medicine men and bought the specifics that were "good for all ills of man and beast." Today, when you tell people that you know of a cure-all for any class of ills, whether mental, physical, moral, economic, or other, your doctrine immediately becomes the object of almost fanatical scepticism.

Conclusion

But this is neither the time nor place to explain how I think Henry George's contribution to knowledge should he taught or how his disciples and friends should behave. At this time, we are trying only to appraise Henry George's work and to place it correctly in the record of scientific progress in his chosen field.

To me it seems evident that both Francis Nielsen and John Dewey were correct in their appraisals. Henry George's work is both scholarly and scientific. The importance of his principal "discovery," which he chose to call "the law of human progress," can hardly be overestimated. I do not see how any society that fails to understand and apply the principles of freedom and justice can hope to flourish. His work has stood the test of time and has demonstrated that it has little to fear from its enemies. Thus far, even the cleverest who have attacked it have but made themselves ridiculous. My personal belief is that only the misguided efforts of his friends can much longer delay the recognition for which his work is destined.

The land question once again is coming to the fore. All over the world, the necessity for land reform is being recognized. Moreover, there seems to be increasing appreciation of the fact that the counterrevolution means retrogression, that communism and fascism are the logical and inevitable end results for those who follow that one-way street. Surely the time is coming when, unless Western Civilization is to perish, there will be a rebirth of freedom, an increasing realization that progress toward the goals of the Great Revolution must be resumed. When that day comes, we can rest assured that Henry George will be accorded the recognition that is his due.

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[5]Albert Jay Nock, *Henry George*, William Morrow & Company, New York, 1939 (page 200).

[6]John Dewey, *Human Nature and Conduct*, Modern Library edition, page 238.