

Henry George: Beyond Marxism, Monetarism, & Monopolies

by Cay Hehner

Who actually was Henry George and why don't we know more about him today? At the beginning of the 20th Century his fame as a progressive visionary was not even eclipsed by Karl Marx or Woodrow Wilson. How is it that even now renowned economists have to make an effort to explain what he did? Tolstoy in essence said about him:

"Henry George cannot be refuted, he can only be ignored."

At the threshold of the third millennium we have seen Iron Curtains and dictators with clay feet fall like so many houses of cards although they seemed unshakable less than a generation ago. It has become a truism that the West with its so-called free enterprise system has won the Cold War against the Communist East. As that is apparently indeed the case, nevertheless the predictions of Western pundits are dire: "Death by debt" is the bottom line of their fiscal analysis. Thoroughgoing structural changes are called for to deflect the pending economic crisis on a global scale. These changes are by now endorsed even by arch-conservatives who otherwise resist any change or those die-hard optimists who take the sinking of the Titanic to be the sensationalist spin of a media campaign that does not otherwise disprove the general unsinkability of ocean-liners. The electoral processes in the principal constitutional democracies resemble increasingly the wheels of fortunes of amusement parks that do no longer amuse, where the Dow Jones and the various other trade indices and opinion polls as well as the pronouncements of the Federal Reserve Board appear as "irrational" as the cryptic messages of the oracle of Delphi in ancient Greece.

When Plato was asked by the Prince of Sicily in the forth Century B.C.E to organize an ideal, utopian republic for him he had but one indispensable pre-condition: the abolition of money. While the prince did not comply Plato never rescinded this principle. He resigned himself to teach in his Academy rather than to get involved in a less than ideal realization of a political entity.

The principles of Henry George are no less mind-blowing than the Platonic ones. And they are based on equally profound insights into the theoretical and practical framework of society, economics, and politics. Although George twice barely lost the elections to become the mayor of New York City - the first time very probably through election fraud - the Georgist principles have proven to be as sterling and durable in face of the general political corruption as Plato's. It may appear outlandish to organize a huge social entity with complex stratifications and interdependencies without monetary circulation, but one has to bear in mind that money taken in itself has no value, and does not organize wealth, but is only an indicator reflecting productive processes. The hyperinflation of the 1920s in Germany, for instance, during which consumers would have to carry laundry baskets full of bank notes nominally worth millions to the bakery to get a few rolls in return highlights drastically how money intrinsically is neither wealth nor capital.

Consequently George attributes to it a more modest and realistic place within the economic system. He thus avoids the fallacy of many modern economic and social thinkers, who see money, be it as fiscal circulation, financial capital or monetary fluctuation, as a near religious object of veneration. The altar of Mammon proves to be more relentless in its call for sacrifice of its economic subjects than the worst man-eating Moloch of the ancient Ammonites. Money in the ultimate analysis is nothing but a means of facilitating trade and exchange. Henry George demonstrates in his writings that the origins of economic relations are derived from mutual trust or credit, which are assumed and given by the partners in trade in view of the gradual amortization of most property or commodity transactions.¹

Who now was Henry George?

Henry George was born September 2, 1839 and he died October 18, 1897. He was a visionary social philosopher and economic reformer. He belongs to the generation of presidents Grover Cleveland (* 1837) and Theodore Roosevelt (* 1858) who became known as the so-called anti-trust president, after they had taken on Henry George's teachings. Roosevelt coincidentally lost against George as the third candidate in the election for mayor of New York 1886 and he had come to know and esteem his rival as a fair fighter und incorruptible

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upholder of social justice. The basic principle of George is as simple and revolutionary as it is logically disarming: "The land for the people."

It goes way back to precepts of Moses and pre-biblical lawmakers. Henry George deserves the merit to have rediscovered this concept which is as old as the earth itself. He personally disseminated it in the English-speaking world (the US, Canada, Great Britain, Australia, and New Zealand) during several world tours in innumerable speeches, pamphlets, and several profound, while astonishingly readable books. In pre-World War II Germany for instance the Prussian parliamentarian Adolf Damaschke, the libertarian politician Silvio Gesell, the liberal economist Franz Oppenheimer and the Rhineland industrialist Fluersheim worked for a Georgist land reform. It was again Hitler in the Thirties who annihilated Georgism as he did with countless other good things & people. In Denmark, New Zealand, parts of Australia, Canada, and Pennsylvania among other places the beneficial effects of Georgist tax-reform can be studied as they have been implemented there over notable periods of time. World leaders like Woodrow Wilson, Winston Churchill, Sun Yat-Zen, and Franklin Delano Roosevelt have upheld his ideas. Influential writers, thinkers, educators, and scientists as varied as Tolstoy, Einstein, Aldous Huxley, Bernard Shaw, Upton Sinclair, and Helen Keller recommended his teaching. The English philosophers John Locke, John Stuart Mill, and Herbert Spencer, the American revolutionary Thomas Paine as well as the visionary presidents Thomas Jefferson and Abraham Lincoln were precursors to George's land and tax reform program.

After Henry George and his Jefferson Party lost a second time running for the position of New York mayor - he died four days prior to the election -, his closest confidants and master students did not throw their hands up in the air, but continued to be politically active and seek public office. Henry George jr., his oldest son, became congressman of New York with the support of Labor and the progressive forces of the state. After World War I the Georgist movement failed by a hairsbreadth to establish itself as a third party on the national level of all fifty States of the Union. This was at the end of the Golden Twenties the moment for Oscar Geiger, the author of both popular platforms of the intended national party to take Georgism into education. 1932 Geiger, who had become an indefatigable speaker and promulgator of the Georgist cause, founded the Henry George School of Social Science in

New York City. Other like institutions followed soon in many parts of the country as well as the rest of the world.²

Henry George possessed a number of qualities barely found amongst even great philosophers and economists. He had a rare and crystal-clear grasp of complex economic relations and interactions combined with a deep understanding of first causes, fundamental structures, and the distortions which ensue through misappropriation and misdistribution of human and natural resources, paired with an inimitable gift for candid & lucid expression. His insights into ecological cycles do not only make him the precursor of all environment protection movements and organizations, his organic theory of political economy has withstood as one of the few systematic expositions in “worldly philosophy” of the 19th Century the test, storm, and duress of Time and History.

While most of the greatest and most influential thinkers of the 19th & 20th Century - be it Marx, Freud, or Nietzsche - are largely discredited and water over the dam both in their basic theoretical conceptions as well as in their large scale practical application George's thought and 'Manual to Mr. Everyman's Wealth' has escaped their summary statement of bankruptcy. This is not the case because George may be a genius of thought - others were that and sank -, but rather because his theory reflects the given social, economical, and ecological reality to a greater degree and thus is today as up-to-date, cutting-edge, on the forefront of progress as it was when it was first published in 1880. While George was endowed with the systematic and critical power of reason of a scientist he commanded the clarity, brevity, and style of a Hemmingway. It comes as no surprise that this first magnum opus *Progress and Poverty* became an international bestseller soon after its first publication, which outsold even *Das Kapital* of Karl Marx. His son in a conservative estimate gives the P & P sales figures and the P & P related literature from George's pen in a conservative estimate as at least 5 million by 1905.³ *Progress & Poverty* has been translated into all major world languages and the indefatigable public relations activities of his author led to the foundation of countless land reform associations in all parts of the globe even during his lifetime.⁴ His popularity⁵ in the US was only surpassed by that of Mark Twain and Thomas Edison. Bernard Shaw, who maintained that it was George “who made a man out of him” in making him conscious of the rampant social injustice, even went so far as to include

George's main work together with the Bible and Fabian essays in the stage directions of his popular play *Candida*.

Another character trait which distinguished George greatly from other social thinkers was his fearlessness and personal courage: his drive to take independent, unbiased lines of inquiry up to their valid conclusions, with complete indifference for possible negative personal consequences. Marx, on the one hand, proclaimed himself the champion of the suppressed working class to the detriment, exclusion, and even annihilation of any other class and any other individual, who failed to fit this template in its narrowest sense. The influential 19th Century sociologist Herbert Spencer, on the other, would deliberately and with astounding ease abandon his innate acuity in matters of economical analysis after he was confronted with the material persuasiveness of British country squires. And in our age, most post-modern econometrists and statisticians won't even feel queasy to sell themselves in their "objective scientific research" to the highest-bidding lobbyists. The foundations of Economics, today that would be a part of "Ethics" and "Philosophy", namely another scholastic department altogether, that is to say of no concern for the economic practitioner.

Today the Economic and Social Sciences content themselves to a large degree with the allocation and matching up of statistical columns. In the 19th and early 20th Century no one could claim to be taken serious as a political or social reformer who did not base his findings upon a large framework of general facts. Data or research results taken out of context would not be able to claim scientific accuracy, but they would be termed in the literal sense of the word as "idiotic"! George demonstrated a constant and unusually liberty-oriented largesse of spirit contrary to his above mentioned contemporaries and tendencies. He would bow down to no one and nothing but the truth.⁶

His vision of society, his astute understanding of genuine economic relations and social interdependencies were to him his "promised land", his material "paradise on earth" which could not help but be realized: this by way of an incessant process of elucidation for the common weal in applying the discovered principles with measure, passion, and good will. George, being essentially a humanist, who had been brought up in the democratic mind-frame of an Emerson and Jefferson, which would allot each and every human being his equal, fair,

and fundamentally unlimited chance, he would loathe war even in its less extensive form of civil war. As an American of Scotch extraction - perhaps except for Switzerland the only place on earth where thrift and economy was not taught in school, but imbibed directly and genetically through mother's milk - any kind of military conflict was to him an excessively expensive, commodity-destroying, and extravagant affair, too outrageous not only in the humanist, but in the economic sense of the term to be seriously considered. By nature an evolutionist not a revolutionary he did not mind not seeing his magnificent vision not be realized during his life-time. With endless, not to say dogged patience and forbearance he preferred the evolutionary step-by-step approach to the violent bloodbath of revolt. The structure and nature of the discovered principles appeared to him with the inevitability and infallibility of the Natural Laws of the physicist.

Life itself taught him her first lessons.

By nature a self-made man and investigative journalist in the great American tradition of Mark Twain, Jack London, and Upton Sinclair up to the Watergate investigators & Michael Moore he decided in veritable Tom Sawyer fashion at the tender age of 14 that he had had enough of a formal education. Ingenious, impatient self-learner that he was, he crisscrossed the world seas before the mast of a cargo shipper, saw the continent of Australia, and the subcontinent of India and plunged headlong and hapless into the California gold rush before his more studious class mates even got their High School Diploma!

George learnt the printer's trade, he failed in setting up a small shop, tried his hand at writing and editing small articles. 1861 he met Annie Fox, married her on the spot, and eloped with her. By the winter of 1864/65 they had two children & George and his newly found family suffered extreme privation: "I walked along the street and made up my mind to get money from the first man whose appearance might indicate that he had it to give. I stopped a man - a stranger - and told him I wanted \$ 5. He asked what I wanted it for. I told him that my wife was confined and that I had nothing to give her to eat. He gave me the money. If he had not, I think I was desperate enough to have killed him."⁷

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After this excruciating period of largely sporadic & uncertain employment he ran a popular newspaper over the period of 4 years: the *San Francisco Post*, with the money of a friendly sponsor until the latter needed his investment back.

The insights he had thus gained into the realities and vicissitudes of his own life and those of all strata of society were no lessons lost upon Henry George. In 1876 a Democratic governor appointed him gas meter inspector in the Frisco Bay area, a position that allowed George to reflect upon his fate and the fate of his fellow men. This period of severe trials and tribulations, failures, counter-developments, and Pyrrhic victories lasted from the late 1850s till the year 1880. This chain of personal, social, and political challenges George finally managed to turn into a brilliant necklace of knowledge and success.

The quarter century George lived through in spite, nay, because of his manifold defeats he nevertheless experienced as a rare key witness of a unique period of history. As the economist Hapgood put it: "What took generations in the East and still centuries in the Old World, happened in California within the span of Henry George's life." And he further cited Bernard Shaw's dictum about George: "Only an American could have seen in a single lifetime the growth of the whole tragedy of civilization from the primitive forest clearing."⁸ It has to be borne in mind that the State of California is larger than many a sovereign state on other continents & to be able to watch the drama of the social life and its economic relations from their most basic up to their most involved levels of development within the span of a few decades was more than a free lesson in practical World History.

George had reached voting age in time for the Lincoln-Douglas debates and election 1860: The burning issue of the day was the abolition of ethnic slavery. George voted for the great Kentuckian and his first independent journalistic work was a protest article triggered by the assassination of the abolitionist president. George, who had so bitterly experienced poverty in his own skin with his next of kin, would go down in history as the man to have first attempted the abolition of economic slavery! He proved himself as an unerring and incorruptible observer and chronicler of the economic boom and bust cycle of this ever so young Californian society that had barely left its socio-political swaddling clothes behind and he proved himself up to the job in a unique manner as an authentic eye-witness of the March

of Time of a historic evolution in accelerated motion. After initial difficulties – George had to typeset the private publication of his major work *Progress & Poverty* by himself – the tide of his life's fortune turned & his work proved to be a grace for his fellow men and the Social History of Mankind as well.

When the public the world over began to take note of Henry George and his revolutionary insights the Tombstone literally was replete with smoking guns. Wyatt Earp was taking on the Clanton gang, Kit Carson was still exploring the Great Frontier & Sitting Bull was about to challenge Custer for his last stand at Little Big Horn. Riding out into the hills of San Francisco one day he was struck as if by lightning with the solution of the economic problem he had been laboring so long to discover:

“I well recall the day when, checking my horse on a rise that overlooks San Francisco Bay, the commonplace reply of a passing teamster to a commonplace question, crystallized, as by lightning-flash, my brooding thoughts into coherency, and I there and then recognized the natural order – one of those experiences that make those who have had them feel thereafter that they can vaguely appreciate what mystics and poets have called the ‘ecstatic vision’. ... Absorbed in my own thoughts, I had driven the horse into the hills until he panted. Stopping for breath, I asked a passing teamster, for want of something better to say what land was worth there. He pointed to some cows grazing off so far that they looked like mice and said: ‘I don’t know exactly, but there is a man over there who will sell some land for a thousand dollars an acre.’ Like a flash it came upon me that there was the reason of advancing poverty with advancing wealth. With the growth of the population, land grows in value, and the men who work it must pay for the privilege. I turned back, amidst quiet thought, to the perception that then came to me and has been with me ever since.”⁹

The apple had fallen from the economic Tree of Knowledge and our coming Newton of the day commenced the representation and exposition of his insight. 1871 he had published a short pamphlet about the land question titled: *Our Land and Land Policy* and in the editorials of his *Post* he used arguments, which he would later develop in more detail in his *Progress & Poverty*. After the closing of his paper his position as gas meter inspector in spite of its most meager pay gave him the necessary leisure time to research and write down his realizations

regarding the True Fundamentals of Economics. A few years earlier, in 1869, George had learned about monopolist practices of the press through his own experience. He was supposed to organize the rejoinder of the California newspapers to the better-informed Associated Press at the East Coast, an endeavor that was thwarted by precisely those AP policies that had already driven other news services off the market.¹⁰

Given this background and professional frustrations and George's fast increasing knowledge about the ever more unbridgeable gap between poverty and wealth – or as he liked to call it metaphysically himself: the gulf between the "House of Have" and the "House of Want" – it is not surprising that George had little admiration for social thinkers like Spencer who had prostituted his academic recognitions before lower material interests.

The biologist Thomas Huxley described the concept of tragedy entertained by his friend Spencer as a "deduction killed by a fact"¹¹ and he alludes in this description to Spencer's facile preference of wholesale generalizations not perturbed by contrary empirical data. George gives a detailed account of the former's contradictory position towards the land question in his *Perplexed Philosopher* (George about Spencer) and strongly disavows his lacking academic integrity. In the short period of his life-time George had experienced first-hand that what the "free enterprise system" amounts to in hardship for the working majority then would not be necessary according to its own self-definition. Was George for Karl Marx the "last ditch of capitalism", so was the latter viewed by George as the "prince of muddleheads".¹² Had George been able to witness the realization of Marxist theories on the large scale of the former East Block countries, he would have been greatly appalled by its loathing of freedom and spirit. He is exactly trying to avoid the hapless dilemmas of monopolist practices in his own economic system – be it state monopolist or trust monopolist –, whose profits don't "trickle down" to benefit the poor, as a former conservative US-president would have it, but pour up into the pockets of those whose greatest headache already consists in nothing else but the trouble not to know how to best spend their overflowing treasure-boxes. Or in the words of the great liberal economist and Kennedy adviser John Kenneth Galbraith: those whose economic demeanor "proves to be foolishly indifferent towards legal restrictions."¹³

George would have fought the command economies of the “Big Brother” countries with all his vigor. If for no other reason but that one that the productive and creative individual is stifled behind the iron bars of totalitarian prison states.

True fair-play, according to George, may only be safeguarded by way of his land rent reform on the one hand and by way of the limiting of monopolies on the other. In this way the philosophy of Henry George transcends the irreconcilable contradictions of capitalism and communism – it is situated well beyond Marxism, monetarist idolatry, and monopolies.

His socio-economic analysis and his strategy to solve structurally-engendered business crisis could be summarized as follows:

Every human being, as an economic but not exclusively economic subject has basic desires which it tries to satisfy with the least exertion. These desires are essentially unlimited.

Economic thought is preoccupied with the production and distribution of material items, goods, or elements of wealth that can satisfy these desires. For the production of wealth three factors are necessary: Land being fixed, and the two others: Labor & capital being mobile. George agrees with Ricardo and Marx as well as all other noteworthy economists that labor or human exertion alone may produce value and wealth in the economic sense of the terms. On the other hand he disagrees with Marx and most conventional modern economist about the term capital. To the latter capital appears mostly synonymous with financial capital and to a lesser degree money directly as a one-size-fits-all rubber concept – undetermined, ubiquitous, basically omnipotent, all-decisively autonomous – an almost mythological factor upon which all other factors depend.

Schumpeter, the former Austrian Secretary of Treasury and financial theorist, evokes in near religious and mythic terms of the “charismatic” captains of industry, whose task it would be to rein in and domesticate this mysterious, irrational force by way of his outstanding character. And even Marx in fighting it for a life-time and in insisting in his writings upon a trenchant, mutually exclusive & hostile division between capital and labor, gave capital a higher significance than it should have viewed soberly & in the daylight of reason.

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Looking at this from George's pragmatic, down-to-earth, tried-&-found-true perspective all this is no more than superior nonsense! There is however a general consensus amongst the Brahmins of Business Theory that human exertion or labor does constitute originally, primarily, and in the final analysis conclusively the principal factor to create economic value. There is a further consensus that land and capital, or even capital alone, by themselves are not capable of creating wealth. If this thought is carried through to its logical conclusion, it ensues that capital thus unmasked and taken by itself proves to be a faceless and powerless phantom.

Henry George, given all his expertise and his Scotch thoroughness of research, has kept a sufficient spontaneity and innocence of thought that he could explain without second thoughts as to personal consequences like the child in Andersen's fairy tale: "But the emperor (in this case 'capital') has no clothes. He is all naked!"

When the settlers in the New World of America, after having won their revolutionary wars against the British colonial Empire, offered the crown to George Washington to become King George I of the United States, the latter fortunately had the good common sense to decline! For over 2 & ¼ Centuries the United States – followed today by most of the rest of the world – took part in the grandiose experiment of democracy that life is indeed possible without crown, king, or emperor. Henry George teaches in a kindred spirit that – liberated from the sinister fallacies, phantoms, and specters of the past – the social and political life of men is not only possible, but even much better off considering the general increase in the standard of living and quality of life.

George in clarifying the key terms of economics changed their sense & in changing it gave meaning to a "science" that hitherto had been non-sensical gibberish over large stretches of its century-old body. Under Georgist premises the alleged irreconcilable contradiction between labor and capital vanishes. As long as the C.E.O., manager, entrepreneur, or "capitalist" does indeed work, he is entitled to the full fruits of his/her labor, just like

everyone else and laborer and capitalist find themselves both as producers on the same side of the equation: on the side of value-creation and production of goods.

Capital understood as stored labor already undertaken, as stock and inventory or tool of labor or factor creating value, as a productive means, not to be understood as it generally is as debts, credit, or even money or means of payment, loses much of its out-dated “supernatural” speciousness and its seeming halo given out of a confusion of thought for no true rhyme or reason.

And since labor is uncontested and unequivocal the determining factor of production what remains to be clarified and liberated from its medieval shrouds and malapropisms is the factor land. George’s most original and outstanding contribution to the Theory of Economics – and in this case friend and foe alike delight in rare unanimity – is his groundbreaking conception of the factor land. It is self-evident that no measure of exertion of labor or implementation of capital - and be it as excessive as it may - would be capable of increasing or the given quantity of land. Land is solely a product of nature – and George here subsumes for simplicities sake all treasures of the soil or what today is generally termed ‘natural resources’, namely water, air, oil, minerals etc. under this generic term.

And this land, or these natural resources, like the air we breathe or the water we drink, as an outcome of nature, is or are consequently free of cost and accessible to all.

This takes us back to our point of departure, the guiding principle of Henry George:

“The land for the people.” The human environment cannot be privately destroyed and wasted, but it needs to be publicly saved and secured. George had seen with his very own eyes, the evil that ensues through the monopolizing of land in the rapidly growing State of California – according to the rather barbaric truism: First come, first serve! After a given time all land was distributed amongst a few land sharks and ground speculators like so many stolen treasures. At the outset according to the Homestead Act of the US government one did not need to pay anything for the free land that one could stake as one’s claim. After all free land was “out” newcomers had to look at the new moon or worse & they were forced to toil

by the sweat of their brow and earn their bread under the harsh lash of an ever increasing land rent.

George describes this simple succession of facts in extremely lucid and candid terms in comparing holding-out of land to slavery:

"If chattel slavery be unjust, then is private property in land unjust. For let the circumstances be what they may – the ownership of land will always give the ownership of men to the degree measured by the necessity ... for the use of land ... And when that necessity is absolute – when starvation is the alternative to the use of land, then does the ownership of men involved in the ownership of land become absolute.

Place one hundred men on an island from which there is no escape, and whether you make one of these men the absolute owner of the other ninety-nine, or the absolute owner of the soil of the island, will make no difference either to him or to them. In one case, as the other, the one will be the absolute master of the ninety-nine – his power extending even to life and death, for simply to refuse them permission to live upon the island would be to force them into the sea."¹⁴

Nevertheless it has been pointed out that George does not preach: "Hang all the landowner."¹⁵ This distinguishes him from a number of other radical thinkers who never tire to devise uncharitable things for their antagonists. George endeavored to find a unanimous solution even for the (often unwitting) perpetrators of a great social evil.

Two wrongs don't make a right, as the popular wisdom has it and that is very much in line with Georgist populism. As George strongly distrusted Big Government, as well as every pretension at elephantiasis of bureaucracy, he did not advocate the expropriation of land or the disenfranchising of the latifundistas as in Communism, but he demanded simply to tax ground rent to the full.

By way of this simple measure land speculation is as much avoided as land monopolies. Working and cultivating of the land, erection of buildings, and agricultural usage he would declare completely free of tax as he would do consequently with all products of human labor.

George felt our present day system to be utterly wrong and upside down. We punish the main engines of the economy in taxing and hamstringing labor, industry, investment, and initiative while the land speculator and land owner, who keeps land out of use, to drive up his profits, is rewarded for his anti-social and anti-economic behavior in taxing him barely or not at all. Proceeding from the empirical data that was available during his life-time, George calculated that his thorough and sole tax on land would suffice to secure the given state the financial means to fulfill his infrastructural and administrative tasks. This in George's eyes would delimit and demarcate the role of the state completely. Prof. Steven Cord of the Washington-based Institute of Incentive Taxation provides the empirical basis and analysis of George's theories for the present. George's postulate became known and renowned as the "Single Tax" or in the words of the journalist David Hapgood who adapted an analogous thought of President Woodrow Wilson as "the tax to end all taxes".

At this point it maybe important to distinguish this down-to-earth or "natural law" approach from the "historic necessity" of the Marxist School of thought. Marx based his views on the Hegelian dialectics from which he ripped off and neglected in a singular reversal in the history of thought its prime and core piece: that is to say the spirit. He thus tried to bask in the reputation of his taskmaster, but lost through this declared singular reversal and betrayal all claims to legitimacy, which would constitute, maintain, and support "historic necessity" from the outset according to Hegel. This dialectics without its core of the Absolute would have to come to a crashing end at the Berlin Wall with the falling of the Iron Curtain and the blasting open of the Brandenburg Gate.

Another comparison presents itself at this point with another of the great magisterial thinkers and "worldly philosophers" (Heilbroner): namely John Maynard Keynes. Keynes is generally given the credit to have combined the antagonist factors of production Labor and Capital in a great and creative synthesis, that - according to George - were never more than seeming and specious opponents. Keynes "deficit spending", that is to say, the proposition to let government jump in during a downturn of the business cycle to reactivate the engine of business with planned investments, is a generous gesture full well worthy of the British gentleman that Keynes was. Unfortunately this panacea proved to be a Trojan horse in the Seventies in many a national economy, to the extent that it did not address nor remedy a

crisis caused by structural not functional causes. The increasing public spending tends to lead directly to the fiscal bankruptcy analyzed at the beginning of this paper without in every case really jump-starting the economy. Every upturn in the economic cycle is directly caught in the meshes of land appreciation in the present system, which flows into the pockets of mostly idle landlords and ground speculators. So we are getting the strange euphemism of a "jobless recovery" in which the patient is dismissed, the doctors slap each other on the back, but neither patient nor illness has been cured!

As one may not cure a cold in letting blood as was done with Washington during his final days, the economy cannot recover, unless the common courage is mustered to strike at the root of evil. That does not mean that collectivism and capitalism have to break down to an equal degree to bring back the world onto its feet of ecological fact. George's axioms have stood the test of time and can be impartially examined in their partial effect in the examples given above.

It remains to be emphasized that Henry George as an out-and-out pioneer of US democracy had little patience with the indefatigable attempts of the academic "experts" to turn the Science of Political Economy into a kind of "arcane" Science for the selected "happy few" of Veblen's conspicuous leisure class. He even turned down the position of Economics Professor at the University of California, because he would not have his teaching be compromised. His life, his writings, and his work are marked by sincerity, incorruptibility, clarity and singularity of purpose and intent.

"While we may not be scientists or philosophers we too are men." This sentence concludes *The Perplexed Philosopher*, George's refutation of Herbert Spencer, and one of his best books.¹⁶

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1. Henry George, *Progress & Poverty*, p. 61 - 62. & ipso, *Science of Political Economy*, p. 504 – 506.
2. Robert Clancy, *A Seed was sown - the Life of Oscar Geiger*, p. 25 ff. - Steven Cord, *HG - Dreamer or Realist*, p. 146-7
3. *Progress & Poverty*, Introduction to the 25th Anniversary Edition, p. XXIV
4. David Hapgood, *Progress & Poverty continued*: in *The New Republic*, 1979 reprint of the Robert Schalkenbach Foundation, p. 6 - 7
5. George Collins: *HG - an American Original*, Lecture given on February 26, 93 in the HG-School, Manhattan
6. Henry George, *Herbert Spencer - A Perplexed Philosopher*, Intro. & p. 244 f.
7. Henry George, Jr.; *The Life of Henry George*. NWY 1900/1960, p. 149
8. D. Hapgood, *The Tax to end All Taxes*, *American Heritage*, reprint, p. 2
9. Henry George, *The Science of Political Economy*, NYC 1894/1992, p. 163; Henry George, jr. *The Life of HG*. NYC 1900/1960, p. 210; cf. also Hapgood, *ibid.*
10. Hapgood, *ibid.* p. 3
11. *Encyclopedia Britannica*, 1970: Entry: Herbert Spencer
12. Hapgood, *ibid.* p. 7
13. J.K. Galbraith, *Short History of Financial Euphoria*, p. 14 & 15
14. *Progress & Poverty*, p. 347
15. Hapgood, *ibid.* p.7
16. Last chapter, last page