



HENRY GEORGE AND KARL MARX

W. J. Cadman

WHEN I WAS IN MY TWENTIES I was puzzled by the kind of society in which I found myself. All around me there was poverty, low wages, and unemployment. In my spare time I was fond of leaving my native Portsmouth at weekends in order to explore the country side a few miles inland. Only six miles from the city I came across a country estate which was surrounded by a high wall three miles long. I remember thinking it would have been nice if I had been born into a family that possessed an estate like that. The role of country gentleman, with a bailiff to manage my estate for me, would have suited me admirably. That the private ownership of large estates had anything to do with poverty never entered my head for an instant.

In my first gropings for information on why the world was like it was, I readily admitted the force of the saying, that "In the sweat of his brow man shall eat his bread." At last, the puzzle that confronted me was this: The struggle for existence *should be* a struggle between man and nature; between man and his environment. Robinson Crusoe, labouring on his island, is a good example of this struggle. But looking around me, over forty years ago, I sensed that the struggle was not only between man and nature; it was also a struggle between man and man.

What caused it? Somehow or other I found myself reading books on Socialism and I was almost convinced. Yet, somehow, I could not fully accept the idea that it would be a good thing to have everything under state ownership.

I am by nature a Doubting Thomas. In my daily work I put accuracy above every other virtue. And in political and economic thinking I wanted what amounted to the same thing. I wanted cast-iron truth. In the five or six years that followed I read many books on Socialism, Liberalism, and Conservatism. I should probably still have been searching for truth if, around the age of 30, I had not chanced to get acquainted with a man who had heard Henry George lecture in Glasgow forty years earlier.

I told my new friend I had already tried to read George's *Progress and Poverty* but had found the initial chapters hard going. My friend advised me to try *Social*

Problems (also by George), as an introduction, and to read *Progress and Poverty* later.

Halfway through the book I came upon the chapter headed "Slavery and Slavery." One must remember that Henry George was about 21 years old when the American Civil War broke out, and slavery was abolished. In *Social Problems* George quotes a letter he received some years later, from the son of a former slaveholder. A few years after the war this man had returned to his old home and had met one of his father's former slaves. This ex-slave's economic condition was then worse than when he had been held in slavery. The fact was that the slave-owners owned all the land. The freed slaves had none. And so, to get a living the freed slaves had no option but to offer their services to the owners of the land and in doing so were often forced to accept a lower standard of living than that which they enjoyed when they were enslaved.

This illustration was a revelation to me. I saw, in a flash, that a landless man is a helpless man, dependent upon others for a chance to labour. If the land-owners are grudging in offering jobs or in permitting others to use their land then the competition of landless men for a chance to labour would inevitably force wages down. At this time, when reading *Social Problems*, I had never heard of Ricardo, or of his "law of rent" which demonstrates what I had then perceived.

CONTRASTING PHILOSOPHIES

Now to contrast Henry George's approach to economic problems with that of Karl Marx. Why were they fundamentally different? The answer lies, I believe, in the respective environments of the two men. Henry George did not set out to become an economist. He was a printer and journalist with an inquiring mind. He migrated from the eastern side of America, to California, where he married and settled down. He took an interest in the society around him. When the trans-continental railway finally came to San Francisco, thus linking California with New York, the population cheered it as evidence of progress. But Henry George observed that the U.S. government had granted millions of acres of land to the railway companies.

As more people came to settle in California, Henry George noticed that bare-footed children appeared on the streets along with the carriages of the well-to-do, and periodically there were thousands of men unemployed. Yet California at this time was three-parts empty of people. Why was it that poverty and unemployment were appearing, where before there had been none?

Before he found the answer George made a trip to New York and there beheld the contrasts of wealth and poverty in the same city. Some time later, when back in California, the answer came to him.

Henry George discovered that poverty accompanies material progress, in fact is caused by material progress, because as population and invention increase land becomes much more expensive, and more difficult to get. As a country fills up, those who possess the land are able to rent it out to the landless would-be users, and can themselves sit back in comfort, with the need to labour lifted from them. Put into the fewest possible words the truth is that "As land is necessary to labour, to command the land is to command all the fruits of labour save enough to enable labour to exist."

Karl Marx, however, lived in a very different environment to that of Henry George. Marx made his observations in a land-locked Europe, in a society where virtually all the land had been made into private property long before his time. A society where there were dense populations of landless men seeking work at any price. Marx lived at a time when, as now, most working men were not independent producers, but were working under various employers for wages. It was perhaps natural that he should see the factory owner as the man responsible for "squeezing" his workpeople.

And so Marx came up with his theory of surplus value. Because the workers could not employ themselves, and because they necessarily had to be subservient to their employers, Marx has defined "capitalism" as a social relationship.

I have recently been looking into Marx's *Capital* and have been struck with his observations in the final chapter "The Theory of Colonisation." In this chapter Marx undermines most of what he had written in earlier pages, for here he admits in plain words, that "the expropriation of the labourer from the soil forms the basis of the capitalist mode of production." In other words, before you can have capitalism in the Marxist sense you must first take away the ordinary man's natural rights to the land of this planet.

What was it that caused the rain of emigration from Britain's shores during the 19th century? For several centuries before, the land tenure system here had been changing. The common rights which for ages the common people enjoyed in the land of each parish, were bit by bit being taken from them. The first half of the 19th century saw the common rights to land virtually extinguished, and so from Britain, and Ireland, emigration to the New World became a flood.

Consider now the United States in the closing years

of last century. Along the eastern seaboard there was a relatively dense population and a high degree of capitalist production. Wages there were not what they should have been. As Henry George himself noticed, there was in New York an abundance of poverty which would have affrighted a heathen. And so the catchword of the day was "Go west, young man, go west!"

Why go west? The simple answer was that anyone who had the courage and ability to leave the delights of civilisation in the eastern U.S.A. and strike out and make a home in the largely untrodden West, might find fortune and security because "out west" there was land to be had for nothing; land to be had free of rent.

And for those who did go west, and who did take up more land than they needed, there was always the chance that later, with increasing population, they could sell or rent their surplus land, and finish up as rich men.

REAL PATH OF PROGRESS

How do we set about getting the kind of society we all dream about?

The first thing is that as we recognise that everyone is equally entitled to life, so we must recognise that we must all have equal rights to land—the means of life.

But equal rights to land does not necessarily mean that we must use land in common. Our modern way of life demands that most of us must have private possession of certain plots, and so we have to find a way whereby we can square private possession with equal rights. Henry George solved this problem in a masterly fashion by pointing out that economic rent, in each neighbourhood, represents exactly the benefits which social progress confers upon each member of the community. The rental value of land is not the creation of any one individual; it is the creation of the community as a whole, and should therefore be taken to defray communal public expenses.

Henry George therefore proposed that, as fast as may be, present taxation should be abolished and the economic rental value of land be collected in its place. As regards present taxation we all feel that nearly every tax is an infringement of our right to retain what is ours.

This, then, was George's remedy for the maldistribution of wealth, which is the most pressing problem of our civilisation.

I have said little of capital. Few people, unless they have studied economics, can give you a clear definition of capital. But if we consider that wealth consists of the tangible material things that men make from natural resources; things such as food, clothing, houses, ships, factories, machinery, then capital is merely that part of wealth that is used to help us in making further wealth. We all possess some capital. Capital is not the enemy of the working man. Wages are not low because of the capitalist, but because of the landowner. The single tax on land values would restore every man's equal rights to the land and exploitation would be impossible. The surplus value which Marx talks so much about, is really the rent of land.