

IT is very interesting to read accounts of a leading personality - life, work and evaluation - as set down by various authors. A different portrait emerges each time, though recognizable. So it has been with the American economist and philosopher, Henry George. Books have been written about him by two of his children (Henry George, Jr. and Anna George de Mille), Louis F. Post, Albert Jay Nock, and various professors - George R. Geiger, Charles A. Barker, Edward J. Rose, and now Jacob Oser, professor of economics at Utica College (New York).\*

In Oser's slim volume a surprising amount of material is packed. It contains a biography of Henry George, a detailed summary of his chief work, *Progress and Poverty*, a critique of that book, outlines of his other books and ideas, and an estimate of his influence.

The biography of George is written sympathetically. Oser pays attention to some human details, such as George's adventures at sea, his wooing of Annie Fox, his relations with his wife, family and friends, as well as his activities on the larger stage of public affairs.

Oser is a little too severe in his criticism of what he calls George's "racial intolerance." As a young man in California, George did pick up some of the prejudices of the time and place and thought that Chinese immigration was reducing wages. He wrote an article on the subject and sent a copy to John Stuart Mill who responded with a long letter. Sociologically, Mill was more nearly right than George at the time in anticipating that the Chinese could be assimilated. But economically, Mill agreed that the Chinese depressed American wages, whereas George did change his mind when his ideas matured and he perceived that Chinese immigration was not the cause of low wages but rather land monopoly.

Prof. Oser gives a good summary in nineteen pages of *Progress and Poverty*, outlining book by book George's main arguments. Regrettably, he omits a summary of Book X, "The Law of Human Progress"



## A New Look at Henry George

ROBERT CLANCY

which he simply says "can be foregone in this summary". In some respects this portion is the heart of George's classic, setting forth in historical perspective the philosophy of freedom which underlies the basic reform proposed by George.

Oser adds his own evaluation of *Progress and Poverty* in a separate chapter, giving George credit for refuting the wages-fund theory and for building upon Ricardo's law of rent, extending its application to all forms of production. He also approves George's measure to take the rent of land in taxation and agrees that it would stimulate production.

Then Oser proceeds to his criticisms. One is that the landlord's share of the national product is not rising and that the share of wages is not declining as George contended. But it should be noted that George dealt with *tendencies*, as natural laws do. A tendency may be counteracted by other factors, as George acknowledged, but he said that, short of basic reform, such measures would have other bad consequences. Since George's day, there has been greater recognition of the problem of poverty and low wages, and efforts have been made to give the labourer a greater share of the product. What is interesting is that despite all these efforts - notably the actions of labour unions and government programmes to equalize distribution - the share of labour has not noticeably risen in the U.S.A. as indicated by several studies; and great fortunes are

greater and more entrenched than ever.

Suppose these programmes (to say nothing of their undesirable consequences) were abolished, is Prof. Oser prepared to say that with labour at the complete mercy of the raw market under present monopoly conditions, wages would not fall?

In a country like the U.S.A., Prof. Oser feels that "landowners are not monopolists" because "there are literally millions of them ... and they are subject to competition." But the number of landowners does not change the nature of their monopoly. Each piece of land is unique and cannot be reproduced. There is only one Times Square or Piccadilly Circus. The holding of valuable land for a higher price is precisely the element that forces production out to poorer lands - a situation which Oser rightly deplores.

A good deal of attention is given to the "law of diminishing returns" by Prof. Oser who feels that George did not sufficiently take account of it,\* thereby making his erroneous prediction of the continual increase of rent. According to this law, increased inputs do not indefinitely produce proportionally increased outputs. But George, in discussing a stationary population with increasing technology, pointed out that production does not merely extend to the next poorer land, but the search for more raw materials leads to a broad quest that may spread far and wide, thus leading to a further rise of rent. We need only look at the world oil situation today to see a striking example of this.

Other criticisms include George's apparent over-optimism in saying that the earth could support a thousand billion people. But serious scholars in the United Nations and elsewhere are talking in these terms. The inadequacy of the single tax as public revenue is also mentioned; however, Oser admits the force of the argument that as economic conditions improve, the vast public revenues now taken

\**Henry George* by Jacob Oser. Twayne Publishers, Boston, Mass., 1974, 130 pages, \$6.50. One of the "Great Thinkers Series."

\*While George did not pay much heed to the law of diminishing returns in *Progress and Poverty*, he did so at some considerable length in his *Science of Political Economy*.

would not so urgently be needed.

Oser also feels that George, in dwelling on the land question, did not sufficiently appreciate the power of capital. But a careful reading of *Progress and Poverty* and his other works will show that George did not close his eyes to what was going on but looked beneath the surface for underlying causes.

The balance of the book deals with the public's reception to *Progress and Poverty*, to the rest

of George's writings and activities, and then to an account of his influence. (It may be noted that Oser acknowledges that in *The Science of Political Economy*, George correctly ascribes a general applicability to the law of diminishing returns, thus being ahead of the economists of his day.)

Whatever his criticisms, Jacob Oser has shown in his book that Henry George is a great thinker that must be taken seriously, and it is hoped that this work will have some influence in that direction.

HENRY GEORGE INSTITUTE  
Rm. 462A, 55 W. 42nd St.  
New York, N.Y. 10036