

THE REVIVAL OF GEORGISM

By Joseph H. Fichter, S. J.

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HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

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BY JOSEPH H. FICHTER, S.J.

SIXTY years ago on the West Coast an obscure newspaperman completed the book that was to make him famous. Henry George sat down at his lamp-lit desk in the dingier section of San Francisco and dedicated that book, *Progress and Poverty*, "to those who, seeing the vice and misery that spring from the unequal distribution of wealth and privilege, feel the possibility of a higher social state and would strive for its attainment."

There were other social thinkers, and social cranks too, in the days when Henry George was making his bid for international prominence. Every last one of them would willingly have accepted the dedication as directed to himself. During the intervening decades to the present day both the thinkers and the cranks have increased so tremendously that a man now blushes to confess that he fosters no pet social theory. We have all attained some degree of social consciousness. Virtually everyone admits that vicious misery and poverty spring from the unequal distribution of wealth. Some preach determined schemes for a redistribution. Few can afford to remark complacently, as a typical financier recently did: "Share the Wealth? How droll!"

Thus there are today a great many people who, with George, "feel the possibility of a higher social state," and there is ever a respectable number of unselfish men "who would strive for its attainment." Only a fool would deny that there is no present need for

social reform. Everyone, no matter how biased he is in favor of the social *status quo*, no matter how insensibly optimistic regarding society's phenomenal achievements, must realize that this world of associated men and women is still highly perfectible. We accept George's dedication. Can we accept the simple and sovereign remedy of the Single Tax, proposed by this man whose theories are now enjoying a sturdy revival?

Henry George deserves consideration. He was a man who may have over-simplified the drab science of economics. He is also a man who has thousands of enthusiastic followers, and other thousands who heartily disagree with him. You may belong to one group or the other, but if you know him you cannot ignore him. Count Tolstoy, in his blunt way, went so far as to remark that "people do not argue with the teaching of Henry George. They simply do not know it." More recently Albert Jay Nock said of him: "I should think that someone might soon be rediscovering Henry George. If so, he will find that George was one of the first half-dozen minds of the nineteenth century, in all the world."

That was in 1932, and the coincidence of the date was that someone had been rediscovering Henry George. In the beginning of that year Oscar H. Geiger, a New York business man, had just opened the Henry George School of Social Science in Manhattan. As the founder and only professor, he taught a

course in political economy to eighty-four students, using George's *Progress and Poverty* as the textbook. The school prospered with the assistance of the Robert Schalkenbach Foundation, incorporated seven years earlier for the purpose of "spreading among the people of this and other countries a wider acquaintance with the social and economic philosophy of Henry George." Geiger died at the end of the first year, but the school continued and grew.

Geiger's notes for his classes were made into a neat Teacher's Manual so that the fundamental course could be taught by anyone. It is used too as the basis of the correspondence courses. *The Philosophy of Henry George*, the fullest commentary on George's works, appeared in 1933, and was incorporated into the free lessons which were now increasing both at the school and by mail. Advanced courses were added to the curriculum as fast as teachers could be trained to give them. The old quarters were overcrowded. New York was reawakening to the doctrine of the man who had almost been its mayor. The school had to expand.

In the summer of 1938 the Henry George School of Social Science bought a fifty-thousand dollar building on East Twenty-ninth Street, installed its office, classrooms, cafeteria, and other educational necessities, and was ready for further business. The spark behind the move was Frank Chodorov, one-time schoolteacher, traveling salesman, manufacturer, and lifelong Georgist, whose energetic management made new opportunities possible for students. In the following summer he put the accent on youth

by inviting a number of high school seniors to attend the free courses.

The new director encouraged the formation of extension classes outside the city of New York. More than two hundred American cities had these classes, and the active student followers of the Georgist scheme quickly passed the twenty-five thousand mark. Similar schools of varying size and success were opened—or revived—in Australia, Canada, Denmark, England, Holland, Scotland and South Africa. In the meanwhile he took over the editorship of *The Freeman*, the school's monthly critical journal of social and economic affairs.

Henry George was himself an able organizer and something of a politician, so that on a Single Tax platform he almost gained the mayoralty of the country's largest and most important city in 1886. Ten years later he supported Bryan and his attack on the gold standard. In the following year he again campaigned for mayor, but died on the eve of election. Frank Chodorov, the man who holds his place at the helm of revived Georgism, is likewise a capable organizer and thoroughgoing Georgist; but the two things he will not engage in, nor permit his students to engage in, are organizational and political activities.

The charter under which the school is conducted prohibits the formation of a political party such as George headed. The students as a group representing the movement may not take part in political activities of any kind. The Director is insistent that he and his associates are exclusively in the business of educating, of giving information. They are idea men interested only in spreading ideas, not caring what group, Republican, Democrat, or any

other, will eventually put those ideas into action.

Like the many disciples he has made in the last few years, the Director is a man of superb confidence. He is not merely hopeful; he *knows* that his theories will achieve results. Like all Georgists, he is fond of quoting the great master on this matter of bustling organizations and politics. "Social reform is not to be secured by noise and shouting; by complaints and denunciations; by the formation of parties, or the making of revolutions; but by the awakening of thought and the progress of ideas. Until there be correct thought, there cannot be right action; and when there is correct thought, right action *will* follow."

It is as simple as that. Our prime immediate purpose, Mr. Chodorov informed me, is to sweep away the cobwebs that academic "experts" have been draping over the social science. Then we can get down to the limpid simplicity of Georgism. To bring this about we are offering a free economic education to any one who wishes it. There is no charge to the student except one dollar for the textbook. Our teachers, all former students, contribute their knowledge and time without pay, but our hardest job is to convince people that we are actually giving something for nothing. Once they take the course virtually all of them are rabid Georgists ever after. Even the man on the street can learn the simple scheme so well that he can teach it to others.

Recent personal experience has convinced me that the present student followers of Georgism, if not precisely rabid, are certainly alert to the trends in social thinking. A book, in which I had mentioned Henry George and his movement,

was hardly dry off the press when several protesting letters informed me that I knew nothing at all about the great master. My mention of George was only in passing references, and I was astounded that such heated protests could arise over remarks that were the cold truth unadorned by enthusiasm. I knew then that the rumored resuscitation of Georgism was a vital thing and not the mere warming-over of discarded ideas. It gave stimulus to a further investigation of the trend of this modern resurrection.

Ardent New York Georgists celebrated the centennial of Henry George's birth just as Hitler began the invasion of Poland. Disciples in Sydney, Australia, hampered by activities of the European War, commemorated the date several months later, in January, 1940. Conferences and celebrations were held in numerous cities between these widely separated points, most of them international in plan but confusedly local in effect.

The object of all this veneration deserves more than a thumbnail sketch. He was in general an admirable character. The personality he breathed into his writings accounts, I think, for the highly ethical and religious tone of his followers. Catholics are numerous among them, but all shades of faith are represented. His father had been a dry-goods merchant and custom-house clerk, but when Henry, the second of ten children, was born at Philadelphia in 1839, he was currently engaged as a publisher of religious books. From his parents, particularly his mother, the son "inherited" a kind of religious Evangelical Protestantism which he practiced in a desultory fashion during the rest of his life.

The boy went to school at six and quit at thirteen, completely unsuccessful at four different schools and confessedly an idler and time-waster. But he followed the best American traditions by educating himself through wide reading and frequent attendance at popular lectures. His first job was that of errand boy, and then clerk, in an insurance office. Before becoming a world figure as both economic thinker and English prose stylist, George enjoyed a variety of experiences, surpassing even that of the amazing Jack London. "He had been a sailor, a type-setter, a tramp, a peddler, printer, shopclerk, newspaperman, weigher in a rice mill, ship steward, inspector of gas meters, gold-seeker, farm laborer."

In all these experiences, and wherever he went—Australia, India, England, Ireland, New York, San Francisco—Henry George critically observed two puzzling social phenomena: recurrent depressions and want in the midst of plenty. He himself knew the personal punishment of dire poverty. On the West Coast in the depression of 1864 he and his wife and family almost starved to death. Object lessons of contrast were all about him—in the incredible luxury of a few people and in the worrisome want of the great masses. "This association of poverty with progress," he said, "is the enigma of our times." Out of these observations came the title of the famous Georgist bible, which appeared after many delays when he was forty years old.

To do complete justice to the theories of Henry George, it is of course necessary to make a thorough study of *Progress and Poverty*. Simply to pick the following statement from its context would indicate that the

man was a thoroughgoing Socialist: "We must therefore substitute for the individual ownership of land a common ownership. . . . This, then, is the remedy for the unjust and unequal distribution of wealth apparent in modern civilization, and for all the evils which flow from it: *We must make land common property.*" But the Georgists do not like the charge of Socialism. You must not put that label on the movement, even though Doctor Wagner in his competent *Social Reformers*, links Henry George with Adolph Wagner and Sidney Webb under the heading: State Socialism, Limited and Unlimited. "Actually," protests Director Chodorov, "we are the greatest individualists in the world."

What a man's theory is popularly called is of little importance. What really counts is the shape of the thing itself. The question is whether or not (a) George properly diagnosed the problem of maldistribution when he said that "poverty deepens as wealth increases, and wages are forced down while productive power grows, because land which is the source of all wealth and the field of all labor, is monopolized"; (b) whether or not the remedy lies in making land common property; (c) whether or not that remedy, achieved through the confiscation of rent by taxation, can and will "raise wages, increase the earnings of capital, extirpate pauperism, abolish poverty, give remunerative employment to whoever wishes it, afford free scope to human powers, lessen crime, elevate morals, and taste, and intelligence, purify government and carry civilization to yet nobler heights."

Any movement giving this explanation, offering this remedy, and promising these results, is at least

open to discussion. Henry George has been called an unorthodox economist mainly because he parted company with the traditionalists in his analysis, partly also because his lucid language was not the "shop talk" of other economists. Most of them, especially those of truly liberal tendencies, would agree with him that the fundamental problem is the maldistribution of wealth. But few admit his remedy of making all land common property. Still fewer agree that the remedy's effect would be the amazingly abundant life he foretold. The cure would be worse than the sickness.

The application of the cure in the provinces of Western Canada can hardly be called a success. Land value taxation began in 1891 in British Columbia, in 1894 in Saskatchewan and Alberta (when these provinces were still part of the Northwest Territory) and later, but to less extent, in Manitoba. The use of a tax on land values and the exemption of a tax on improvements made steady progress until the World War forced a return to more orthodox procedure. The system failed in the crisis when extra tax revenues were needed; and much has been made of this failure by opponents who point out that a system is futile if it cannot rise to an emergency.

Critics further assert that, even if the War had not occurred, the scheme did not achieve its vaunted effects. The tax did not prevent land speculation. It did not lower the rent. Owners still held their land out of use. Higher wages were due to the natural prosperity of a young country and not to the tax scheme.

But the interpretation of this failure depends largely on one's per-

sonal prejudices. As Doctor Geiger remarks in *The Philosophy of Henry George*: "Where successful, land value taxation is hailed many times by the single taxer as an example of the ultimate efficiency of his program; where unsuccessful, it is pointed to as but an incomplete and parochial system that was destined to fail. And the same confusion seems present so often with the the critics of any Henry George plan; land value taxation when effective is a peculiar and isolated local phenomenon, applicable perhaps in the particular situation but arguing nothing for the feasibility of any further extension of the principle. When it seems to suggest a failure it is a warning that any further advance in this direction must be avoided."

The basic economic case for Georgism stands or falls on its unique expedient of the Single Tax. It is first and last a taxation scheme so simple that it outshines any of the more bizarre proposals recently discussed and voted upon in various parts of the country. But where others depend upon a sales tax on finished commodities, the Georgist plan goes directly to what is considered the source of all production, property itself in the form of land.

"We propose," said George, "to abolish all taxes save one single tax levied on the value of land, irrespective of the value of the improvements in or on it." Strictly speaking, the proposal does not call for a tax on real estate or on land as such. The tax is placed only on land which derives its value from the pressure of population and it is represented by "the whole of economic rent, or what is sometimes styled the 'unearned increment of land values.'"

An acre in Montana is valueless when compared with an acre on Broadway. Thus the location of land makes all the difference in value, and the sheer presence of people makes land on Broadway more desirable than land in Montana. Economic rent is the differential between one and the other, and the Georgists consider this rent an immoral exaction by the landlord on a value which he himself could not create. "The productive powers which density of population has attached to this land are equivalent to the multiplication of its original fertility by the hundredfold and the thousandfold." The landlord automatically becomes a millionaire. "Like another Rip Van Winkle, he may have lain down and slept; still he is rich—not from anything he has done, but from the increase of the population."

The pressure of population in a given area accounts for many odd happenings in land manipulation. There are examples enough to give strength to the Single Taxers' complaints of land monopoly and speculation. The George Washington Bridge over the Hudson skyrocketed land values in northern New Jersey. A housing project in St. Louis (meant for slum clearance) raised surrounding land values so much that the slum dwellers had to move to cheaper slums. The land adjoining a new highway out of New Orleans multiplied in value until the rent for its use became prohibitive. The litany of examples extends all over the United States. Back to the times when frontiers were being expanded by railroaders and timber cutters the great American sin has been the exploitation and waste of land.

Not all economists will agree,

however, with the dark picture George drew of the evil effects of land speculation. Especially today their agreement would be qualified by the fact that land values in general are diminishing. Furthermore, there are many sources and systems of monopoly other than land. Finally, these oft-condemned speculators have really contributed a large amount of revenue in the form of taxes on their land. Now speculators have died off and their descendants become the genuine owners of the land. It would be a manifest injustice to them, and to others who have recently bought land, to wipe out the value of their holdings by taking the whole rent.

But why talk of this when millions of families are facing pauperism in the world's richest country? The temptation is always present to plunge heedlessly into some remedy, any remedy, that will alleviate distress. Mistakes are unfortunately costly, and a movement can never prosper in the face of unreason.

Thus there are numerous angles needing consideration before the Single Tax Theory can be fully accepted. The solution is by no means as all-embracing as the Georgist claims would indicate. Nor are the disciples of the revival as precipitous in their enthusiasm as were the immediate followers of Henry George and Father McGlynn. They now advance their proposals in a less boisterous way, confidently but not combatively. They are beginning to give the problem the exact and extended attention which the whole movement lacked fifty years ago.

In his recent book, *Economics and Society*, John F. Cronin remarked that "sweeping statements and controversial generalizations have tend-

ed to obscure the fact that many of the basic elements of George's analysis are considered sound by all economists. Now that the fires of controversy have cooled, the time may be ripe for such a scientific study of the problem." Other Catholic thinkers are beginning to lend the same sympathetic ear to the arguments of the Single Taxers; and they are in a peculiarly apt position to work out an alignment with Georgism.

There is cause for the Catholic suspicion of Georgism. The unfortunate occurrence of what is known as the "McGlynn Case" still leaves a bad impression on the minds of Catholics. Still, there is a surprising number of Catholics, both here and abroad, who are taking courses through the Henry George School of Social Science, and who are bringing back the Georgist philosophy of a generation or two ago. On the other hand, the exoneration of Father McGlynn in 1892, on the score that his considered summary of his land philosophy is not in conflict with Catholic doctrine, does not mean that the scheme itself is sound in all respects.

An example of Catholic opposition to the scheme is founded on the independent, democratic traditions of a people who fear state aggression. The hazard they rightly per-

ceive is one to Church property as well as to their own security of possession. If property in land is not a natural right, it must be a state concession. If the state can grant rights it can also take them away; and who is there to predict where that Leviathan will stop? The state is foot, knee and thigh in the doorway now. Shall we welcome its complete entrance? In South Australia, under the land valuation tax, "certain exemptions were made of park, church, university lands and the like." These exemptions should be made under any system; but there is greater safety against governmental encroachment where ownership of such lands is outright and not merely fictitious.

Be that as it may, the perennial problem presented by the land question and the issue of monopoly must sooner or later be met head-on by Catholic social thinkers. It is at least thinkable that Christian social reconstruction may solve the problem if it makes the approach along the path laid down by Henry George. It is likewise thinkable that the whole movement may be fitted into that social and economic framework which is distinctly Catholic. At any rate, the object of both—a more reasonable distribution of wealth—would make such alignment worth striving for.

EDUCATION WITH A PURPOSE

How often have you asked yourself: "Must there be poverty—in a world so rich in resources, with wealth multiplying so easily and so rapidly at the will of man?"

POVERTY

And the conditions that arise primarily from poverty - crime, prostitution, wars, to say nothing of the unnatural struggle between human beings for the mere crumbs of life - surely, you say to yourself, that is not ordained or even necessary. Every person ponders over this problem at one time or another. The undernourished child has it burned into its soul for life. The newspapers do not let us forget it. The wealthy recognize and fear it, the poor are bitter about it.

The problem of poverty is always the basic social problem, and its solution seems to be the paramount issue of all ages. We accept the many manifestations of the wealth-increasing powers of men without the slightest semblance of wonder. Television, airplanes, streamlined trains that seem to outstrip the wind, radios that abolish space, air conditioning that defies the elements and greatly increases man's efficiency, - we would not lift an eyebrow in surprise if even the alchemist's dream of creating gold out of base metals were realized.

But we would be considerably surprised if the problem of poverty were solved - because that problem seems to be insoluble. "Ye have the poor with you always" is dinned into our consciousness until in desperation we either resign ourselves to the ugly thought that we are born to suffer, or we are impelled to seek in violence and destruction a way out.

IS A SOLUTION POSSIBLE?

Communism, fascism, socialism,

governmental interference with life, liberty and the pursuit of happiness—these are the subjects of primary concern. Why? Because these political schemes seductively promise relief from poverty. Every one of us feels that the day is not far distant when we shall be driven into one camp or the other, when we shall be forced to take sides in a fratricidal war. There is a feeling prevalent that this war may see the end of our civilization.

Yet, it is not necessary. Nature is not niggardly; there is enough for all. These promissory systems of wealth-distribution are based on class hatreds, on political expediences, on unmoral taking from one to give to another. None of them tells us a way out that seems to accord with either logic or justice. They all are founded on the theory that might makes right, they all appeal to base passion rather than to reason and the human sense of fairness.

A GREAT BOOK

An American wrote a great book in 1879. It is called "Progress and Poverty" - a title which tells the mission of the book. In this volume, this great American - Henry George - demonstrates clearly, irrefutably and in a most beautiful presentation that in the Science of Political Economy can be found the answer to the seemingly unsolvable problem of poverty.

Political Economy is associated in the public mind with such "dry" subjects as mathematics or astronomy. In most books on economics it is so treated, both in subject matter and in phraseology. The college student looks upon it as a useless study which he is obliged to take for his "points"—and is quite willing to forget it when his examination papers have passed muster.

THE SCIENCE OF ECONOMICS

"Progress and Poverty" is, therefore, a revelation. In inspired language, the author thrills us with a new hope - that in this so-called "dismal" science we may find the answer to the problem of poverty. Challenging the methods and divergent reasoning of "high economic authority," he states definitely that political economy is not a series of unrelated facts and opinions, but a science, based upon eternal and immutable laws, and that in the discovery of these laws will be found the cause of poverty in the midst of plenty. Having found the cause it should be possible to find a remedy.

THE SCHOOL

The Henry George School of Social Science is chartered by the University of the State of New York as an educational institution to teach Fundamental Economics and Social Philosophy. The School is maintained by the voluntary contributions of people who are eager to spread a knowledge of economic freedom, in the hope that such knowledge, becoming wide-

spread, may lead to a better social order.

FREE TUITION !

Therefore, the course is given without tuition fee or other charge. The teachers are business and professional men and women who give their services without compensation. Classes are conducted in many cities in this country, and in other countries.

A correspondence course, also free, is available for those to whom classes are inaccessible, or who prefer studying at home.

SINCE 1932

The Henry George School of Social Science was incorporated in 1932. In its first year 84 students completed the course. In the following eight years almost 50,000 enrolled, including over 10,000 in the correspondence course. The one class room in 1932 has grown into a five story building, with twenty class rooms. Before the present international conflict schools operated in Canada, England, Denmark, Scotland, South Africa, Holland and Australia.

For further information address the

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