

# The Only American Economist

The familiar adage to the effect that a prophet is not without honor except in his own country is strikingly apropos in connection with statements made in almost every paragraph of the article in the January issue of FORTUNE bearing the title "Business-and-Government."

The author deplors what he considers the fact that the American culture has not developed an economist—"a native Adam Smith—a man of great theoretical stature whose analyses and recommendations would be characteristic not only of his times but also of his soil." The only American economist who fits this description is Henry George whose philosophy of Freedom is

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they avoid any sense of disappointment or discouragement over such rebuffs as the hearing on the Belous-Quinn Graded Tax Bills represented. Moreover, such Georgists avoid all possible temptation to that political-mindedness which sees political accomplishment as a trading of favors and advantages, with perhaps a somewhat lessening regard for the well-being of humanity in general. They keep clear of the defeatist attitude which tends to exaggerate the difficulties in the way of social progress and to forget that a truly educated public can have what it wants and all it wants whenever it makes the demand.

The fate of the Belous-Quinn Graded Tax Bills may conceivably be salutary, in that long before their ten-year course would have been run, an aroused public opinion may have asked for and got a change which will divert to public purposes not a third or three-fifths but all of the returns from land monopoly in our city. With the phenomenal growth and spread of George's teachings, such a possibility is by no means visionary. Once let society become aware that taxes may be made unnecessary and obsolete by the confiscation of ground rent, and no compromise will be necessary or even possible. The problem of poverty will have been solved.

Upon receipt of this letter from Donald MacDonald, the editor of "Fortune" wired for permission to print, and in the ensuing telephone conversation advised Mr. MacDonald that this letter greatly influenced the editorial staff in its decision to institute a "letters to the Editor" column. Something to say, well-said, will find listeners.

America's most important contribution to the world's culture; but the author of the article dismisses George with a wave of the hand, and apparently finds himself in sympathy with Veblen and his proposed socialism governed by engineer-technicians.

Let us consider how completely George fits the picture as sketched above and how poorly the Veblen proposals, which are a mere variant of the Marxian analysis, do. Henry George stands today as the most widely read economist among the English-speaking peoples. His works sell all over the world far in excess of the works of any other economist, Adam Smith not excepted. Veblen does not even enter this picture. It may amaze the author to know that in New York City alone fifteen thousand copies of Henry George's works were sold last year. . . . Disregarding Russia, where *Das Kapital* is of necessity a part of the domestic equipment, the works of Karl Marx are not comparable so far as circulation goes. Further, *Das Kapital*, so seldom actually read, generally functions like the heavily cultural books in a doctor's ante-room to lend an appearance of profundity and weight where such qualities are really nonexistent. Henry George's works have been translated into every language.

There is no corner of the earth where the "Progress and Poverty literature" has not spawned resist-

ance to economic injustice. . . . The motivation of Sun Yat Sen—the philosophy that governed the Chinese Communist armies as they made their unparalleled march across China, and in the occupied areas abolished taxation of wealth and derived their revenue from taxation of landholdings, derives from Henry George. In the Scandinavian countries and particularly in Denmark the Georgian philosophy of freedom and the direct economic approach as well, are at the root of the breaking up of the large estates and the institution on the basis of a free earth of the system of voluntary coöperation. In Denmark the reading of *Progress and Poverty* is compulsory in the high schools. There are no taxes in Denmark on homes up to \$2,500 in value . . .

Although in the United States, progress in the fiscal proposals of George has been slow, owing to the barriers of state and national constitutions, the movement here is very vigorous. . . . In New York City the philosophy of Henry George is actively taught in the Henry George School of Social Science by a devoted staff of sixty-five instructors. At the end of the last fall semester the school graduated eight hundred students of the Progress and Poverty Course. The school maintains a correspondence course—being conducted all over the United States and Canada. In England, Scotland, and Wales there are a number of classes. The president of this school is the noted John Dewey, Dean of American pragmatic philosophers. Says Dr. Dewey: "It would require less than the fingers of the two hands to enumerate those who, from Plato down, rank with Henry George among the world's great social philosophers." . . .

In regard to a distinctive American philosopher, characteristic not only of his times but of his soil, the picture fits George so accurately that it would be recognized by a blind man if he ever knew George. The fundamental characteristic be-



hind all that is peculiarly American in our national life, has been, not as the Editor infers—our great industrial development—but rather our past history of free access to natural resources. From this root cause has sprung not only our democratic institutions but also our inventive genius and the development of labor-saving devices. . . . George, witnessing in the gold-mining days of California the development of society from the primitive to the modern, had a tremendous advantage over economists in other times and places who had to reconstruct in their imaginations—and in a society of which they were a part—the evolution of the modern economic structure.

George had all this before his eyes. Contrast his position with that of Marx. Small wonder that the German, living in the midst of a highly organized, centralized, bureaucratic society, developed an involved philosophy reeking with error, full of the intricacies and mysticism of the German metaphysician . . . Marx simply made men slaves of the State. Then he uneasily rationalized his position by assuming that the State would automatically, mysteriously, and completely disappear . . . The vicious variants (of his philosophy) are Fascism, Communism, and the hundred and one proposals involving a deified State—including Veblen's government by supertechnicians, dead to the implications of the individual human equation. Well-intentioned Marx has caused and is causing more misery, slavery, and oppression than any philosopher that ever lived.

George saw freedom, and freedom only, as the necessary element in the redemption of mankind . . . Where (he) saw a defect he always traced it to an infringement of liberty by the State . . . His philosophy had its roots in America in free access to natural resources; his whole background and all his conclusions, both fiscal and philosophical, are peculiarly American. There is no economist, either here or abroad, who more accurately reflects his times, including the present, and the soil of his country.

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