

HENRY GEORGE AND THE COMMON GOOD

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Henry George constantly called for justice in the creation of wealth in society. He argued that all should have access to the means of creating wealth, and that everyone is entitled to the fruits of their own labour. These simple truths were for him self-evident truths. They were the expression of what he regarded as the natural laws of economics. It was this appeal to justice and these self-evident truths that made George's *Progress and Poverty* the most widely read book on political economy ever written.

But, of course, the principles of justice which he saw as evident in the natural order of things, brought to light how injustice and the abuse of natural law prevailed in the growing European and American economies. It brought to light the very strange phenomena that, the greater the wealth a nation produced, the greater grew a gap between the rich and poor – indeed that poverty appeared to be *caused* by the creation of wealth.

His opponents, such as Herbert Spencer and the social Darwinians, argued that this gap between rich and poor was part of the natural evolution of society. With progress the weaker elements of society would naturally be eliminated through poverty or disease. The vast estates of slums in the English cities were evidence of this, where the poor lived lazy and immoral lives. So strong was this idea in the nineteenth century that even the clergy reprimanded the poor in their Sunday sermons for their immortality and indigence which they had brought upon themselves. A gross materialism had taken over western thinking, including a great part of the Church.

According to Herbert Spencer, the leading social philosopher of the time, everyone in the very nature of things gets their just deserts. It is an immutable law of evolution. The rich merit their riches, the poor merit their poverty. We see in the novels of Charles Dickens the monstrous inhumanity of this evolutionary theory, and how the moral life of the poor was in general better than the moral life of the rich who were rich on the backs of the poor. Remove the poor and there is no means for the rich to get rich. Dickens exposed this in his novels with great compassion, showing as George did, that human nature is essentially good and that wickedness and poverty arise through acting contrary to this natural goodness, contrary to the innate morality of the human heart.

Even today the same situation prevails: as more wealth is produced the rich get richer and the poor get poorer; and the rich nations keep the poor nations in poverty. Leading economists like Joseph Stiglitz observe that the gap between rich and poor is growing ever wider, and that one day it will all crash down. Ecological economists, such as Herman Daly, argue that the ever-increasing exploitation of resources leads to poverty and the destruction of the environment.

Henry George, Joseph Stiglitz and Herman Daly all argue that this situation is the result of ignoring the observable laws of nature. A kind of illusion hovers over economic theorists that whatever is happening is simply the play of 'market forces' and that any kind of moral judgement made upon such market forces is to confuse science with ethics. This mechanistic avoidance of a true analysis of wealth creation is an inheritance from Herbert Spencer, for whom the blind forces of 'matter and motion' simply gain order through the accidents of clashing together where the stronger prevail. It is blind and unintelligent. Hence the blind forces of nature and the ethical never converge, save when the strongest prevail.

These ideas were not so new. We may trace them back not only to Bacon and Hobbes, which is fairly obvious, but further back to the materialists (or *physiologi*), atomists and the Sophists of ancient Greece all vigorously opposed by Plato and Aristotle. These materialist ideas are always justified by the ethic that 'might is right'. The only difference in the nineteenth century was that this principle was taken to be the law of evolutionary progress. Thus 'progress' becomes a justification of present inequality and exploitation of society and of nature. Progress is indifferent to human suffering. It will eventually arrive at Utopia. For many clergy in the church, this ruthless theory of evolution replaced the teachings of the Gospels, or was even implicit in the Gospels.

What I wish to argue is that the true natural order of society, which George called justice, manifests as the law of the common good. The expression 'the common good' was once a universal measure of the just order of society. We find it in Plato and Aristotle, in Cicero and the medieval scholastics. For example, Thomas Aquinas says:

He that seeks the good of the many, seeks in consequence his own good, for two reasons. First, because the individual good is impossible without the common good of the family, state, or kingdom... Secondly, because, since man is a part of the home and state, he must needs consider what is good for him by being prudent about the good of the many. For the good disposition of parts depends on their relation to the whole. (ST II-II q. 47.)

Aquinas is simply applying an observation of nature, since it is clear that in nature the good of the whole is the ruling principle of order. The different organs of the body are not at war with one another but each contributes to the good and health and proper functioning of the whole body. The same principle is observed in the botanical and biological ecosystems where a balance is naturally attained between all living species. Balance and harmony is a natural principle of order and distribution throughout nature. And just as the common good was seen as the natural principle of the order of society, so the order of nature was understood to be the source of civil law, as expressed in the sixteenth century by Thomas Starkey:

For all good civil laws spring and issue out of the law of nature, as brooks and rivers out of fountains and wells; and to that all must be resolved and referred as to the end why they be ordained, to the observation whereof they are but as means. (Thomas Starkey, A Dialogue Between Reginald Pole & Thomas Lupset 1536)

Yet, somehow, this is no longer observed as the natural tendency of human society, and especially in economic exchange. It is no longer observed because the principle is broken right at the foundation of society, in its relation to the earth, to Mother Nature who supplies all our needs. Our relation to the earth is misconceived. Consequently the monopoly of land by some to the exclusion of others establishes a wrong division in the economy right from the start. This is George's insight, though it was known well before him. His gift was to bring to light all its implications. His remedy to this ill is to institute a land value tax on all who have property in land. This remedy would certainly work in our modern industrial society, just as it would in George's time. Indeed, land speculation plays an even larger part in our modern industrial economy than it did a hundred and fifty years ago. But now it has been normalised and its effects have become invisible to most economic theorists. A land value tax would remove the possibility of land speculation taking unearned increment from labour and manufacture. It is a law of nature that there cannot be any such thing as unearned income, and so where it exists it must be derived through a claim on the labour of others.

Here I do not wish to argue for a land value tax. I take this as a given and already agreed on by Georgists. But everyone can see that land speculation steals income from what others produce, even if they do not know of the land value tax proposal. What I wish to trace is how this relates to the natural order of society – the order that a society would take if unhindered by the injustice of land monopoly and all other subsequent monopolies.

I would like to begin by challenging the classical notion of how land value arises. It is imagined that a lone individual settles on an unoccupied plot of land somewhere, and that as more settlers join him land value begins to arise. This, however, is more a description of immigrants arriving in America than how a society arises. It is not how society historically evolved. What we would call 'primitive' society is where a tribe settles and shares all its produce together. Community pre-exists the lone settler. Although the land may be regarded as home by the tribe, it is not regarded as 'owned' by them. Ownership in the modern sense is completely foreign to them. On the contrary, the land is generally regarded as sacred and as a gift of the Great Mother. The modern immigrants who settled in America simply ignored the right of the indigenous peoples to their tribal homes. Since the indigenous people made no 'legal claim' to the land, they were counted as not 'occupying' it. There was a considerable disputation in jurisprudence, as far back as the sixteenth century, on the immigrant claims to land ownership. We can trace the same history in Africa, Australia and New Zealand.

So land value did not arise through 'settlers' arriving and claiming land. Where primitive societies developed into more complex societies, usually through tribes uniting together, then various kinds of common ownership were devised, but more through a natural division of labour than through land owners claiming a portion of labour from others. A division of some kind needed to be made between *what was common* and what belonged to any individual. Yet the production of necessities remains common. It is only after this point that laws begin to be made on ownership.

This happens simply because not all things can be held in common without allocating responsibilities. It was the division of responsibilities that shaped the relation with the land rather than ownership. Indeed, the biblical word 'dominion' means to tend and care for.

In fact, common ownership does not meet the demands of a more complex society. It is not the question of ownership that leads to higher development in a society but the question of 'common good'. The common good is expressed in the relations between the members of the society. It is here that the question of justice and of all law-making arises. Here the land question rises to the level of the social question. Here all relations take on an ethical character, and this cannot be reduced simply to mechanistic economics.

Really, the history of the development of society is first a *social history* and an economic history secondarily. And social history is really ethical history. That is to say, the tendency towards just laws is the real impetus of societal development, not the production of wealth. For example, it was through the negotiations of laws and customs that the early Greek cities were formed from smaller tribes or village communities. An agreed hierarchy of social functions were established. Disputes were settled through agreed arbitration prior to any written laws being laid down. A consensus of justice was applied instead. Arbitration and a consensus of just reconciliation were the roots of what later developed into Greek politics. The natural development of society is through its ethical consciousness and consensus rather than through economic development. The ethical consensus will determine its economic shape, and this need not take the form of ever-increasing wealth production. As the economist Herman Daly has shown, a sustainable economy does not require continual growth. Indeed, continual growth may be symptomatic of maladjustment to nature and of economic injustice.

The same principle of ethical consciousness holds in our own modern societies. And it is plain to see that our current economic problems are essentially ethical problems. There are profound injustices which we all can see but few can grasp their causes. Many wrong ideas are at play in current economic thinking which normalise profound injustices. The normalisation of economic injustices are due to a profound misunderstanding of the relation of society to nature. What I earlier called the 'law of the common good' implies not only equitable relations between citizens but also an equitable relation of society to nature as a whole.

It is only through seeing things in relation to the whole that we can see them clearly. A major problem in current economic thinking lies in conceiving the economic realm as closed and autonomous. The economist Marian Mazzucato has pointed out how this blinds us to the true relations of economics and the state or government. For example, it is held that the economy works best with the least intervention from the state. Yet this flawed idea immediately collapses during a crisis where the state has to 'rescue' the economy from the malpractices which the state had ideologically legitimised and legalised. And just as the economy is presumed to operate independently of the state, so it is presumed to work independently from the environment. Yet *society* includes the state and the environment. Government, economics and the environment are not three independent realms but form a single complex whole. If we look from the perspective of the whole first, then we begin to see that the order of things is the *reverse* of what is normally believed.



For example we observe that not all human activity is economic activity, even though dependent upon the land. But higher human activities depend on the greater whole of community and its various institutions. These institutions depend on various vocations, above economic necessities. The vocations are rooted in the desire to serve society. The physician, the teacher, the researcher, the inventor, the politician, the scholar contribute to the general good. They *give* more than they take. This is an attribute of the *social economy* - which exists prior to the wealth-creating economy. It works only through serving the common good. Adam Smith counted these vocations as non-productive, meaning they belonged only to the social economy. But he failed to observe that they are prior to and determinative of the productive economy.

Thus the natural motivation to work is to exercise our human gifts. The individual material gain in such exercise is secondary. This is attained by the pursuit of excellence in every field of human activity, whether this be in commerce, education, farming, medicine, the arts or sports. The true craftsman takes joy in doing his work to the highest perfection. A society takes its natural form and order through the vocations and talents realised by its citizens. All human gifts or talents are inherently good and by nature they aim at the common good. The talents spring from the inherent social nature of the human being. They cannot exist outside society. The pursuit of excellence is a prior motivation in human nature to the pursuit of profit. The higher aims in a society are more essential to its well-being than its commercial aims. They form its essence. And where the higher aims are disregarded, commercial aims will degenerate. It is the higher functions of a society that determine its well-being, not its lower functions, thus reversing the usual way of conceiving society. It is, as Aristotle says, the whole that informs the part, not the reverse. It follows from this that no *natural human* work can be degrading or destructive of human potential. That destroys the very meaning of work as a common benefit.

In the Middle Ages the pursuit of the common good was understood as the animating principle of society, which was conceived as analogous to a living being. Consequently it was held that all just exchange in society should be mutually beneficial. It is really an obvious economic principle. It follows that where exchange is unequal, where one party benefits at the expense of another, an injustice has occurred which is contrary to nature. This principle goes back to even earlier. For example Aristotle says:

For the unjust man ~ by doing wrong has more, and his victim by being wronged has less; but the mean between these is just. And the mean is equal. So that the equal between more and less will be just, and he will be just who wishes to have what is equal. But the equal implies two things at least. To be equal therefore in relation to one's neighbour is just, and a man of this sort will be just. (Magna Morelia 1193b)

And Aristotle concludes that “the just holds commonwealths together”. So just exchange is not simply justice between individuals but the justice that creates and sustains the commonwealth. He further says “Things are just either by nature or by law”, though any manmade law should follow nature since “Natural justice ... is better than legal [justice]”. Justice is therefore the ‘natural state’ of a society, and its legislation should be in harmony with what Aristotle calls ‘natural justice’, the justice inherent in the order of nature.

From the principle of equality of exchange a clear principle of jurisprudence arises: All laws enacted in a society should serve the good of the whole community and never the exclusive interests of any group or faction. Hence Aristotle says: “justice and the just will consist in an equality of obligations”. (*Magna Morelia* 1193b) An equality of obligations is prior to an equality of rights since all rights ultimately depend on obligations. This is an ancient principle of law going back at least to Solon. It is also a founding principle of good government. Thus bad laws are traditionally defined as laws serving private interests above the common interest.

Seen in the light of equality of exchange and equality of obligations it becomes clear that the normalisation of exploitation in our modern economies is not only contrary to justice and nature, it weakens the overall moral ethos of society and undermines the true significance of work. It normalises an ethic of self-interest above the common good, and for many people it makes the common good seem an unattainable ideal. To quote Aristotle again:

By nature the end is always the really good, but owing to perversion it may be the apparent good. For as knowledge may be turned to an end which is not naturally its own, so [desire] wish is by nature for good, but by a perversion of nature it may be for evil. (Aristotle, *Eudemian Ethics* 1227a)

Human desire is not perverse or selfish by nature, as Hobbes and Pufendorf declared, but aspires to what is ‘always really good’. But of course it can through a ‘perversion of nature’ become a desire for evil – a desire for what is contrary to nature. Here Henry George has firm common ground with Aristotle in his belief in the natural goodness of human nature. Since all human gifts, talents and vocations are rooted in human social nature, they can flourish most fruitfully only in a harmonious and virtuous society. In this natural context selfishness is contrary both to human nature and nature as a whole. Selfishness and greed destroy the natural benefits of society. Self-interest is ultimately self-defeating since it destroys the social conditions where all benefits are possible.

Just as association is the natural basis of society, so society itself belongs to the wider order of nature. Here the ‘land question’ is writ large. The land question is really the question of our natural relation with what George at times calls Mother Earth. Nothing is more evident, however, than that modern economic theory is alienated from Mother Earth. The social injustices that spring from land monopoly extend equally to the abuses of the earth itself. Social and environmental alienation have a common root in the same injustice. Unnatural exploitation of one implies unnatural exploitation of the other. Our modern age lives in a wrong relation with the earth. Leo Tolstoy, himself a Georgist, declared that ‘if farming is wrong, then all else is wrong’. The way the farmer farms and serves the economy indicates the condition of society. All other abuses of the land, through industrial exploitation or land speculation, follow after farming. And where the earth is regarded merely as a ‘natural resource’ for human exploitation, leaving a trail of pollution and barren land, so the natural order of society will be distorted as if it were also a ‘natural resource’ for human exploitation. It is here that we can see how the ‘common good’ must be extended beyond society to include nature in the widest sense. Nothing symbolises this more vividly than ‘the land’, our dwelling place. So-called primitive societies fully grasped this and so for them the land was sacred. The small society cannot so easily dissociate itself from the land because its dependence

upon it is always immediate. Dissociation and alienation from the land tends to come with enlargement of society, probably beyond a certain size or population. That there may be a natural size to a society which can be self-sufficient is an idea we find in Plato and Aristotle who were themselves seeking to deal with the decline of Athens through commercial exploitation.

Even in George’s time the implications of the alienation from the land were seen. For example, the natural scientist Alfred Russel Wallace observed how land enclosure drove people off the land to the city in unnatural numbers, inevitably producing slums. One direct effect was the need for wastage disposal. While on the land communities put all wastage back into the land. Neither waste disposal nor sewers were needed. Wallace observed how the over-populated city alienates people from the land and also raised a host of new health problems. Wallace was already campaigning on the land question when George came to England where they joined forces. What George had discovered through political economy, Wallace had discovered as a biological naturalist.

The disproportionate city is just one observable effect of land monopoly, alienating and dissociating communities from the land. This dissociation opens the door for large, impersonal international companies – companies without any actual location, or adopting a location to evade tax and social responsibility. These disproportionate companies become ‘artificial persons’ or ‘legal fictions’ with ‘limited liability’ so that no human individual is morally responsible for their conduct. Nothing demonstrates more clearly how alienation from the land leads to alienation from the community. These large companies exist, so far as they can, outside society with the sole aim of extracting from society. Yet some politicians call for ‘deregulation’ so that such companies can grow even more disproportionately. And we might note that the word ‘deregulate’ means to make ‘unlawful’. As Orwell said, if you wish to deceive, use Latin terms. This counts for self-deception too.

These larger implications of the land question and the common good tend to become invisible where economics is treated as an enclosed autonomous system with no social or environmental obligations to fulfil. Consequently, as we already observed, governments have to step in and seek remedies to the ills the economy inevitably creates.



This means raising tax revenues which are then seen as a 'burden' on society, and so vested interests call for smaller government. So we continue in a vicious circle through the false belief that the autonomous economy is self-corrective if left to itself. But that cannot be so if it is founded on a false relation with the land and all the social and environmental consequences that follow from that.

It seems to me that one of the main reasons George's land value tax proposal remains unimplemented after a hundred years of campaigning is because it has not been situated in this larger social context of the common good. In George's time the ethical and social appeal of his writings among ordinary people was still powerful within a Christian ethos, despite the materialist social theories of Herbert Spencer, and also where communities within nations were smaller and more self-sufficient. Our modern anonymous international companies have changed all that and alienated the economic realm from both the social and the environmental realms far beyond anything George could foresee. Consequently the land is no longer even regarded as an independent element but is absorbed into economic capital.

Given this situation, proposing the implementation of a land value tax inevitably leads to misunderstanding. Unless our real relation to the land is seen, and how the common good is the natural aim of any society, then a land value tax looks like any other tax imposed on the community. Or, worse still, it looks like some kind of 'wealth tax' to penalise the better off. So it is far harder now to understand the purpose of a land value tax than it was in George's time. Indeed, it was so clearly seen then that armies of land owners, industrialists, politicians, intellectuals and even clergy were greatly troubled by it and sought any number of means to remove it from public consciousness.

The alienation from the land and the social alienation that follows from it have created a further alienation – alienation from human history. The modern world is itself an enclosed world with a very limited sense of time. Historians used to name the different periods of history according to their character, but now they are merely 'pre-modern'. Even the Renaissance is now called 'early modern', thus no longer recognising its characteristic as a rebirth of classical art and learning. As a consequence of this confined perspective, medieval, classical and Greek writings are becoming incomprehensible to young students. This in turn has a most devastating consequence: all premodern thought is regarded as merely the 'opinion of their times'. 'Plato had his opinions and I have my opinions.' In other words, there are no universal truths.

I have several times in this talk referred to Aristotle and Plato, and I do so because the universal principles which underlie the nature of society, which they traced with remarkable perception, are as true today as they were then. Human nature does not change. Nor does the essential form of society change. The great questions of property, of commercial exchange, of usury and money lending, of social inequality, of just laws, and in particular the relation of society to nature as a whole, all these are explored in depth, and the consequences of their abuses perceived with great clarity. In particular, trade should never take precedence over the welfare of the community as a whole. There is a natural proportion of only ten times between the wealth of the rich and poor – in other words, no poor. The buying and selling of land is strictly forbidden. No laws should be enacted to the advantage of one party over another. In other words, the way to understand the nature of society is through a healthy society, and a healthy

society is one infused with justice, and where the common good is the acknowledged measure of the citizen's duties.

My point is that there *are* universals, and justice and the common good are universals against which any society may be measured. Another way in which this may be seen, which Cicero in particular illuminates, is that the laws a society gives itself determine its character and its well-being, and that good laws foster care for the common good above any self-interest. Cicero goes so far as to say that anyone who puts their self-interest first is not a 'citizen'. And it was Cicero's insights into the nature of law that ultimately led to the later medieval concept of the 'rule of law' rather than rule by any individual person. The concept of the 'rule of law' is foundational to the British and the American constitutions. I wonder how many British people know this, or how many Americans know that their founding fathers read Cicero and Aristotle in drafting their constitution.

The 'rule of law' creates the sense of a just community, of a people with a common understanding. It is rooted in a sense of natural equity between all citizens, while community itself is rooted in a sense of participation in the wider order of nature, the lawfulness and beneficence of nature as a whole.

However, in our age we have become estranged from this sense of lawfulness in nature, and so laws are enacted contrary to nature, such as the legal ownership of land or the legal fiction of the limited liability company. Such laws circumvent the natural obligations and duties of care for the common good. They legitimise private interest over the common good. They enable breaking the law of mutual benefit in exchange. But most of all, they put one person in debt to another. It is through this indebtedness that that monopolies and all forms of rentiering arise. As the historian Lewis Mumford remarks, wage labour simply replaced slavery, maintaining indebtedness. The slums were built to supply the factories with unfulfilling labour.

Without really appreciating it, we continue to live in a society built upon indebtedness, contrary to our belief in equality between citizens. We are, in fact, repeating history. The Israelite Jubilee was established to wipe out all debts. The great lawgiver Solon nullified all debts in ancient Athens and restored its democracy. Rome was ultimately destroyed through debt. Debt breaks the law of equal benefit in exchange, yet nothing in nature works in that way. It is an aberration found only in human society. Yet it can arise only through a forgetfulness of the common good as the guiding principle for all human activity, in all institutions. It manifests most cruelly in economic injustice. For it is in the economic realm that the 'moral' quality of a society has the most direct and obvious consequences.

It is towards this natural order, the common good, that I feel Georgists need to give attention. Campaigning for fiscal reform is fine but not enough by itself. We need a wider and deeper understanding of the nature of society since it is at the deeper level that the laws of community operate. These laws are hidden by materialist beliefs, such as those of Herbert Spencer we mentioned earlier, or by false assumptions about human nature. But most of all we need to remember that the economy serves the higher aims of society and is not an end in itself. As George observes, once liberated from economic injustice and the fear of poverty, the higher potential of society would naturally flourish. But there will never be freedom from injustice and poverty without putting these higher aims first. 