

SOME OF THE CRITICS OF
HENRY GEORGE.

There have been those who since 1879—the year in which *Progress and Poverty* appeared—have written pretentious works on Political Economy, and have never even mentioned Henry George! Here for example, is a work entitled “History of Economic Thought,” by Lewis H. Haney, a volume of 560 pages in which there is less than 100 words devoted to Henry George and no mention at all of his doctrines, save in connection with those of the physiocrats. It would be impossible to imagine from the reading of this book that the political economy of Henry George is the only live thing today, and that the works mentioned throughout this book are mostly part of the great scrap heap. But Mr. Haney says: “Many hold that John Bates Clark is the greatest constructive general theorist that America has ever produced.” So it will be of interest to know what Prof. Bates Clark thinks of Henry George, and then to examine the work of this “greatest constructive theorist.” Prof. Clark says: “Certain opponents of Henry George have committed the strategic error of attacking his system at an impregnable point, namely the theory of the origin of wages. In the third chapter of *Progress and Poverty* he has proved that they come not from capital but from products. He has indeed fallen into an error greater than that which he refutes by ignoring the productive action of capital. The ‘product’ of which he speaks is that of ‘labor’ alone; the employer takes the whole of it, returns a part as wages, and lives on the proceeds of a quasi fraud. (Where does Mr. George teach this?—Editor of the *SINGLE TAX REVIEW*): Of capital as a joint producer and of the consequent claims of the man who owns and uses it, the theory takes no due account. On the single point that products are the source from which the laborer derives his wages Mr. George’s reasoning is as conclusive as anything in mathematics.” Prof. John B. Clark; *The Philosophy of Wealth*, page 126.”

Now, what is the character of this work from which this criticism is taken? Its characteristics consist in no appreciation

of fundamentals; slipshod treatment of competition, representing it as brutal and likening it to the struggle of the cave men, then saying, “what we term competition is in practice subject to such moral limitations that it can be so termed only in a qualified sense.” Elsewhere he says: “The purely competitive system of industry has had its youth, its manhood and its decrepitude,” this being written probably because it sounds as if it really meant something. Here are some more “gems” from which may be gathered an idea of this “great constructive theorist’s” competency for economic discussion:

“Labor is a commodity and is governed by the same laws as other commodities.”

“The original and indestructible qualities of the soil are wealth.”

Richard Ely is another of the High Brow Economists. Here is what he says of Henry George:

“Henry George proposes that the State shall take the pure economic rent of land and thinks this will abolish poverty. It might prevent people who do not care to use the land from keeping land away from those who do want to use it, but how it would bring about all the predicted blessings it is difficult for most people to understand. . . . It is easy in cities to separate pure economic rent from the rent of improvements, and it is done a thousand times a day. The principle evils of private land owning are seen in cities; but even in this matter we should proceed cautiously. No confiscation or thought of confiscation should for a moment be tolerated.” Prof. Richard Ely, *Political Economy*, 1889.

A typical work on the science, flabby, indeterminate, inconclusive. Leans toward socialism of the kind once denominated by Mr. George as “milk and water.” Quotes approvingly one of the Scotch economists (Macleod) that one of the advantages of high rate of taxation is that it stimulates individuals by industry and economy to repair the breach that taxation has made in their fortunes, and that consequently the natural wealth is increased by increase of taxation. This is equal to Hobbes who taught that if we can tax heavily the gains of a mercantile company, so much the

better, for its aim is private advantage which is not necessarily public benefit! Prof. Ely dismisses contemptuously the argument for free trade founded on natural rights.

Hadley's "Economics" is a pretentious work by a well known college president. He has a big name among the little coterie of those who write economics for one another, for it is not pretended that these remarkable speculations ever get beyond this group. They are reserved for "the greatest general constructive theorists" and "eminent economic thinkers" who have left about as much impression on actual economic progress as last year's snows. A few citations without impertinent comment from the REVIEW will suffice for Hadley:

"George's argument that collective property in land is perfectly practicable because so many races have tried it and given it up, is but the *reductio ad absurdum* of many attacks on the present industrial system." Hadley's Economics, page 150.

"Much of Henry George's reasoning is based upon the assumption that land speculators make many profits and few losses. He has probably over-estimated the former, and has quite certainly underestimated the latter. The amount of capital which has been sunk in developing real estate that proves unprofitable is something for which it is impossible to obtain accurate statistics; but a close observation of real estate values will indicate that it is very great."—Hadley's Economics, page 292 and 293.

"When Henry George says 'It is never as an employer of labor that any producer needs capital. When he needs capital it is because he is not only an employer of labor, but a merchant or speculator in or an accumulator of the products of labor', he has described a salient feature of the modern industrial system. But when he goes on to assume that this is an unnecessary and arbitrary one he fails to take the facts of industrial history into account. We have put the employment of labor into the hands of those who are able and ready to speculate in the products of labor, because this method has on the whole proved the best for the community. The

industrial development of the last three or four hundred years, rightly interpreted, is an account of the reason which has led society to put the control of its industry into the hands of a body of speculative investors."—Hadley.

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"The good effects of the system of private land tenure are most conspicuously seen when the owner and the occupier of the land are one and the same person."—*"Hadley Economics,"* page 130.

What, oh, what does he mean?

CURRENT LEGISLATION.

Although the legislatures of forty-one States met this year and some are still in session, little attention seems to have been given to the subject of taxation. This is in sharp contrast to 1911, when the same number of legislatures met (most States having biennial sessions) and important steps were taken in various sections of the country; for instance, the Minnesota three-mill tax and the Iowa five-mill tax on moneys and credits, the Wisconsin income tax law (which also exempted much personal property), the secured debt tax and other changes in New York.

This year, the most interesting tax change is reported from Canada. Following the example set last year by Alberta, the Province of Saskatchewan has exempted all buildings in the 290 rural municipalities (personal property not being taxed), so that local revenues will be raised entirely from a tax on the actual value of land. A sur-tax of 6¼ cents per acre on lands of one owner where not more than half is cultivated, and upon certain large holdings, has been imposed, for the direct purpose of discouraging land speculation.

The Kansas legislature has submitted a constitutional amendment, to be voted on November, 1914, which will permit the legislature to classify property for taxation. The present constitution requires the assessment and taxation of all property by a uniform rule.

The legislature of Oregon has submitted amendments to be voted on in November, 1914, which will strike out the present