

THE MAJOR THESIS OF HENRY GEORGE

Robert E. Allen

Trustee of the School of Living and former
Director of the Henry George School of
Washington, D. C.

Friends, old and new, before I get to the heart of what I would like for you to consider in your deliberations this weekend, I want to ask for a standing ovation and tribute to Mildred Loomis.

If there was ever a more persuasive, dedicated, hard working exponent of the philosophy of Ralph Borsodi and Henry George, I have never met the individual. Challenging her with the impossible only whets her appetite! Tell her you just don't have the time to participate and all that you ever believed flashes before your eyes. You know that, like it or not, win or lose, we are our brother's keeper. We must pick up the task and carry the fight to the enemies in and outside the greatest democratic republic the world has ever known.

This then is not only my welcome to you to the New Heathcote Training Center; it is my opportunity to challenge you with a new consideration. Namely, The New Wave of Anarchism and Nihilistic Religion that seems to be grasping the minds of the young throughout the world. Have you thought of these activities in

this way? Until recently, I thought the philosophy of Bakunin (a terrorist, Communist anarchist of the Russian Revolution) to be dead. I thought these new religions of many of today's bright young minds, to be the conscious effort of young people to attune themselves with the Cosmic Mind and bring into being a world free from ecological pollution and political corruption.

Why should I have thought otherwise? I am almost in daily contact with young people at the University of Maryland; my son attends another Maryland college; and only recently did I get the first clue. One of the Apostles of this new movement of activists dropped the word anarchy and the names of Kropotkin and Bakunin as if I, a believer in decentralized government, were a candidate for conversion.

Had he dropped the name Proudon (an individualist French anarchist holding to peaceful and voluntary government associations), I would have, perhaps, been more receptive. After all, Proudon was an individualist, not a communist-anarchist. He strove to refine rather than to destroy the idea of property. He believed in self-governing communities. Property in land to him was an institutional concept predicated on robbery. And too often, far too often, property in land works precisely in that way. Those who are politically corrupt aid and abet robbery of the people by promoting schemes beneficial to speculators in land values.

Now how does this tie in with religion; you may ask? Think about it. I find many young activists today to be very heavy on transcendental meditation, metaphysics and the occult. These same individuals are also extremely knowledgeable in matters of ecology, economics and social structure. But more than that - they are universally pessimistic. I find some of them so completely pessimistic as to be nihilists. And I now believe this to be organized by a new breed of communist - one who promotes foreign and weird religions and ideologies as a means of narcotizing free peoples. Let us not forget, after all, that it was Marx who said religion is the opium of the people. Let us

not forget that there are no bounds to their mode of action. These new forms of religion close the mind of many a brilliant young person, they close the mind to the need for political and economic reform. they prepare men not for that which you and I know men are capable of producing but for that Armageddon promised those who fail their stewardship and charge for the preserving of the earth; for opening opportunity to our fellow man.

Hoping to have alerted you to this new danger, I welcome you to the task of finding the means of reaching these bright young people with the messages of Borsodi and George for an abundant life, abundant in spirit and physical health, abundant in political health, abundant in economic health.

DISCUSSION:

Question - What is so "bad" about a foreign ideology, and what so special about American ideology? Aren't we living in one world?

Allen: Sure we are in "one world" and I think we should be searching for universal ideas to fit all mankind. Some of those which our American forefathers emphasized - liberty and justice - are universal ideas. And it is because they are universally true, not just because they are American, that I want to espouse them and support them. By "foreign" ideas I mean the communist, collectivist, coercively-oriented practices.

Question - Do you think America is so far ahead in liberty and justice that we can set ourselves up as models?

Allen: I agree that what we have moved into today is not the best fulfillment of liberty and justice. But I still think it is in advance of what Russia and other countries that have taken the collectivist route have achieved. I agree that conditions here in the US are

far from ideal; that we have gotten off the track so to speak. It is because I think Henry George's proposals would help get us back on the track of fuller liberty and justice that I agree with and work for them.

Question - Aren't you a bit hard on the young people calling them pessimistic and nihilistic? The ones I know are mostly pacifist and gentle people. Some of them are into religion, but it's mostly meditation and an effort at higher consciousness.

Allen: Yes, I know some of them too. That's what I thought most young people were like, until my experience has brought me into the most pessimistic sector. We read plenty in the papers about the violent group - riots and attack of one kind or another. But the group I see increasing are really negative; escapists it seems to me. Utterly hopeless, or that's what I get from their talk. They are really planning to sit it out, waiting for Armageddon.

Loomis - I suppose we'd all like the young people to be intelligent, energetic and zealously active in the causes we believe in. Isn't that the challenge we face, to help bring them to that level? How can we do it? Young people gather by the thousands these days largely for music, such as Woodstock. Maybe such gatherings are an opportunity for us.

During last summer's Heathcote music festival some eight hundred people came. I asked our Bob Mernick, master of ceremonies, for five minutes at the microphone. I commended the energy represented in all these young people. Approved their enjoyment of the country, asked how many wanted a piece of land of their own. Many did. How will you get it? I asked. Around here you will be asked \$5000 for one acre. If you buy a 100-acre farm the price drops to \$1600 or \$1400 an acre! Why should we have to pay for land, something that no one created? Why take from your earnings to put \$5000 into a pocket of a man who got there first and evidently isn't using it? Can you use

some of your energy to figure out ways to organize access to land that would be easier and more fair? This appealed to these young people. They applauded and some came up afterward and said that five minutes was the best part of the weekend!

Grace Lefever - Maybe such groups are an opportunity for us to really teach our ideas and plan some action. I've often thought, too, that something a little more should come out of big youth gatherings than just music and recreation.

Loomis - Two generations ago I was a young college graduate with a degree in economics, with little if any knowledge of the subject, when I discovered PROGRESS AND POVERTY. It changed my whole way of thinking. I would surely like to have the new agers know and respond to the wisdom in that book. Could we now, for the benefit of any in the group here, who may not be familiar with it, and to remind us all of its contents, ask Bob Allen to briefly summarize the main points in Henry George's analysis of economics?

Allen: As most of you know, Henry George was born in Philadelphia about 1840, a bright lad in a middle class family. The family home still stands at 413 South Tenth Street, the upper floors preserved as it was lived in; the lower floors being the office and library where George Collins and his assistants operate the Philadelphia Henry George School. Henry George noted the well-to-do family houses on his street; and the terrible ghetto a few blocks away. He wondered why. He spent much of his time at the wharf, watching ships come and go. He like some present-day youth, was less interested in school than what went on outside. At fourteen he engaged himself to a ship owner as a cabin-boy, and sailed out to other ports. Wherever they docked, whether the Mediterranean, Arabia, India, the South Seas, he noted the same conditions - always evidence of great riches

alongside abject poverty. In India the contrast was dramatic - beautiful palaces of Maharajis, including Taj Mahal, but beggars in rags groveling in the streets. The adolescent Henry George came back to America imbued with the idea of finding out why such conditions should exist. Surely this wouldn't be true in the new Western lands of the US. He decided to find out. He went West, to San Francisco. He married and became a newspaper reporter.

What did he learn about riches and poverty? Here too, in this new country, he found beautiful homes and fine office buildings. He not only saw but experienced poverty. It is said that when his first child was born he had no funds to buy food; he went out on the streets and asked a by-passer for help. He was given a bill and some coins. He later wrote that he was so desperate at that time that he was prepared to fight and steal had the man not responded to his plea!

His writing brought him advancement and he became editor of The Sacramento Bee. Always he pondered the riddle, Why poverty amidst plenty? One day walking at the outskirts of San Francisco, he encountered a man on horseback inspecting the lots and streets there. Henry George asked the man what might be the price of an acre there. One thousand dollars, replied the man.

A thousand dollars, gasped Henry George. For a bare, sandy piece of earth?

Knowing how long he had to work to save this amount; knowing how few people in the city would have any such amount to spare, and knowing that any owner of this bare land had done nothing to produce it, Henry George asked himself, What has the landholder done to earn this thousand dollars?

Like a flash, an answer came glimmering into his mind, to his basic question, Why does poverty exist amidst great wealth?

Here is the root of the mal-distribution, he said to himself. In paying from a worker's earnings for a place on which to live and from which to produce,

here is where the injustice starts.

Now he set himself to follow this root to its depth, and to analyze the results of its growing. He would follow the roots to its branch and fruit. He would find ways that this fruit could be good and wholesome. He would write his book on "progress and poverty."

He worked diligently. He was dedicated to the task and inspired by the way out which he saw. By 1879 his book was published. He left his editing to travel to the East to speak and campaign for the cause of the public-use of the value in land. As we've heard, he ran twice for the mayoralty of New York City, traveled abroad, was widely acclaimed and while the New Deal of the 1930's and government-Keynesian economics have eclipsed the light Henry George brought, many people today, including present company, are working to bring it back and get his ideas practiced.

What then are the main points of Henry George's teaching? I will list them quickly. Anyone can read a ten-page condensation of PROGRESS AND POVERTY by Dr. Busey of the University of Colorado; or they can study a two hundred page condensation which the George School and School of Living sell for two dollars. And sometime, everyone can treat themselves to the full text of George's book, get the benefit of his style and logic. PROGRESS AND POVERTY has been used as a text in logic at John Hopkins University; so carefully is his developing of points from premises to natural conclusions. PROGRESS AND POVERTY has also been on classic book-club lists, as tribute to its literary style.

The facts are that certain propositions and definitions have been hidden from the people which, if revealed and applied, could profoundly influence the future of society. Here are nine of them:

I) There are only two essential factors for existence and survival:

- 1 - Land; all non-man-made objects - land, water, forest, minerals.
- 2 - Labor; all human energy - mental and physical.

II) What people produce by laboring on land has two names:

- 1 - wealth; all objects which have labor in them .
- 2 - capital; that part of wealth (tools, hoes, shovels, trucks, factories) used to help produce more wealth.

III) Since three factors, in modern society - land, labor, capital - are used to produce goods, they each are due a return of that produce:

- The portion to land is rent;
- The portion to labor is wages;
- The portion to capital is interest (not bank interest)

IV) Land produces in different ratios - some plots much, some less, some nothing. The least productive land is called marginal.

Who shall use the good plots, the medium, the poor?

Should users of the best and good plots share with others their privilege in using the best?

V) The value of land goes up as people and industry collect around it and need it, i.e., value of land is largely produced by activity other than that of the user.

VI) The community produced value of land should not be held privately either by the user or by an absentee holder.

VII) The community produced value in land should go to the community to cover costs of community needs; roads, schools, libraries, etc.

VII) Wealth and capital produced by people are their own - no one can rightfully, not even the government - take it from them.

IX) Let land-value be the source of public revenue.