

Henry George Institute

Results of this year's HGI election were as follows: Four Directors (one-third of the Board) were elected for a three year term: C. Lois Jessop and Mark A. Sullivan were re-elected; and newly elected were Mitchell Chanélis (Director, Center for Economic Justice, Boston) and Jack Schwartzman (Editor, Fragments), replacing Neva Bianco and Stanley Rubenstein. For the 1986 Nominations Committee, Joseph Jespersen and Sydney A. Mayers were the Board members elected, and Neva Bianco, Mario E. Cordero and Earl A. Hanson the non-Board members. This Committee will handle next year's HGI election.

The Institute sponsored two events this past Spring: A symposium on "Land and its Rent" on April 20 at the Henry George School; and the Annual Dinner and Meeting on June 19 at the City University Graduate Center, New York, with the theme of the Far East. Following is a summary of these meetings.

Land and its Rent

At this well-attended Symposium there were four speakers: Terry Flynn, M.A. candidate at the New School; Walter Horn, Ph.D.; Mark Brady, Ph.D. candidate at New York University; and Edward J. Dodson, M.A. candidate at Temple University.

Terry Flynn spoke on Classical Rent Theory. He defined "classical" as extending from the Physiocrats to Henry George. Classical economists had a large view and discussed all society; they were reformers and had a program. There were four notions of rent, the first three based on agricultural rent: 1, Land yields a natural physical surplus and rent is paid in kind; 2, Rent is a privilege, structural and social; 3, Rent is based on payment (in money) according to contract, based on comparing productivity; and 4, the new-classical view which is abstract - land as space having a location value - carrying the idea to all lands including urban. Henry George developed this concept of rent on both the analytical and ethical sides.

Walter Horn referred to an article by Ronald H. Coase, "The Problem of Social Cost," in the Journal of Law and Economics in 1960, which has become very influential and is referred to as the Coasian theorem. Prof. Coase argues the libertarian view of the free market, saying that the best way to settle disputes and complaints concerning damages is by the persons affected dealing with it among themselves rather than by government regulation or the legal process. Coase cites cases where A is damaged by B, but if A wins his case, B suffers. An arrangement between them would balance out interests. Mr. Horn pointed out that there is a case where the Coasian theorem does not work and that concerns land. Whatever arrangements the landlords make among themselves do not benefit the landless - quite the contrary.

Mark Brady argued the libertarian point of view. While conceding that some libertarians are disposed toward the Georgist idea, most of them do not agree with it. He presented the views of Murray Rothbard in The Ethics of Liberty. Rothbard is against the "engrossing" of land but contends that labor mixed with land gives the person who labored title to that land, and to his heirs in perpetuity. Mr. Brady also denied that there was any great harm caused by speculation, as it is in the interest of landlords to maximize the use of land; and competition among landlords prevents undue rents from being imposed.

Needless to say, members of the audience challenged Mr. Brady on these ideas. It was pointed out that when a person works on land, the fruits of his labor belong to him, not the land itself. Land speculation is not benign, but landlords can wait a long time for the price they want, and meanwhile others have to use inferior land.

Edward J. Dodson spoke on "Proudhon, Tolstoy and Henry George," and his paper appears on page 7.

Annual Dinner and Meeting

The theme of the June 19 HGI meeting was "The Far East." Moses Johnson gave his impressions of a trip recently taken to Kuala Lumpur, Singapore, Manila, Hong Kong and Tokyo. He was impressed with the appearance of these cities and the amount of economic activity. In many cases the problem of poverty is out of sight, but it is there.

A talk by Stanley Rubenstein, who could not be present, was summarized by Robert Clancy, on "MacArthur and Japan." After the defeat of Japan in World War II (on September 2, 1945, Henry George's birthday), General Douglas MacArthur had supreme power in rebuilding Japan. He introduced democracy and land reform, and gave Japan a new start which set it on its way to becoming an economic giant in the world.

Norma Newmark (Ph.D. and family counsellor) some years ago had been an academic consultant for the Henry George School. She told of two trips to the People's Republic of China, the first with a special study group and the second as a tourist. On the first trip she saw life as it was lived, especially in the rural areas, which most tourists do not see. The Chinese are friendly, live simply and make do with little. Her talk was illustrated with slides. On her second trip she saw China as tourists see it - large cities and efforts at modernization. There is central planning in much of the Far East, not only in Communist China, and she cited Singapore as an example. (See also article on China on page 11.)

Outreach

Algeria, Austria, Bangladesh, Brunei, Cameroon, Canada, China, Denmark, France, W. Germany, Ghana, Holland, Hong Kong, India, Indonesia, Ireland, Italy, Kenya, Kuwait, Lesotho, Malaysia, Malawi, Malta, Norway, Pakistan, Papua New Guinea, Portugal, Romania, Saudi Arabia, Singapore, Sweden, Swaziland, Switzerland, Tanzania, Thailand, Transkei, Turkey, United Arab Emirates, United Kingdom, United States, Zambia, Zimbabwe. (As we go to press, two more - Ethiopia and Mexico.)

The United Nations? Almost. The above are the countries from which the Henry George Institute has recently received inquiries about its correspondence course based on Progress and Poverty. This was as a result of a small classified advertisement placed in three issues of the international edition of The Economist (London). We hope for continuing interest and some solid results, and we'll do more of this publicity. Meanwhile, some students who have already completed the basic course have commented as follows:

"The course makes comprehensible that which is complex and can serve as a light for the leaders and a lamp for the blind. George makes clear that if the human race is to survive we cannot continue to produce social problems at such an alarming rate. George makes human rights, lacking today, a constant theme throughout this course - equality, justice, fair distribution of land and wealth, fair taxation, the right to earn a living. This course has been a mind opener for me." - Dawudu Haneef

"Progress and Poverty is the best thing that has fallen into my hands. I taught accounting, I studied the best part of my life, I thought I knew something about the environment about me - but until I read this book, I did not realize how much there was to learn. I feel like a new human being. A new Horizon is showing itself to humanity." - Antoine J. Toussaint

"The theories of Henry George are clearer to me than those of 'Prophets' who forever place beyond the reach of analytical inquiry their allegories which are based only on the standard of good and evil. The theory of George teaches us the real cause of poverty." - Soranah Thimmadu