

Henry George News

Published by the Henry George School of Social Science/NY

Volume 64, Number 3

May - June, 2000

The Earth is the birthright of all.

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A Tribute to Father McGlynn

Father Edward McGlynn, pastor of New York's St. Stephen's Church, was excommunicated by Rome in 1887 for advocating the ideas of Henry George. McGlynn was a tireless advocate for the poor, human liberty, and for the free access to land.

On April 8th, a tribute was held for him in the church he pastored. Fittingly, St. Stephen's, between 3rd Ave. and Lexington, is almost around the corner from the Henry George School.

In attendance were many McGlynn family members.

The featured speaker was Father Alfred Isacson, author of the recently published McGlynn biography, *The Determined Doctor*.

In that book, Fr. Isacson says of McGlynn's excommunication, "Driven from his own parish, the world was made his parish."



*Fr. McGlynn
& St. Stephen's Church, 1870*

Indeed, even today, Fr. McGlynn is remembered and celebrated as a true hero of his time.

The Georgist Review of Books

Bruce W. Oatman/HGS Instructor

Natural Capitalism - *Paul Hawken, Amory Lovins, and L.H. Lovins. Little, Brown & Co., 1999*

Occasionally a book by a mainstream publisher comes along which speaks to the concerns of Georgists - if not in a shout, then perhaps in something a little above a whisper.

Such a book is *Natural Capitalism*, whose authors are a businessman and the co-CEO's of the Rocky Mountain Institute, a think-tank for new technologies. Their aim is to portray the exhaustion of our present industrial age and sketch a path to a possible future.


The authors begin by noting that in the past several decades, we have lost a fourth of the

world's topsoil, and a third of its forests. With the earth's population now at six billion, and likely to grow to at least ten billion by mid-century, the amount of land and resources available to each of us is becoming smaller. A Georgist will note here that this tends to increase the concentration of land ownership into fewer hands, along with the economic, political and social power that goes with monopoly ownership.

The authors go on to point out that much of the ownership or control of international resources lies in the hands of the largest thousand of the world's corporations, which are responsible for two-thirds of all industrial production.

Current industrial success depends upon an enormous consumption of inexpensive re-

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**SPRING
GRADUATION**

2000

For those of our students who are eligible, this Spring's Graduation ceremony will be held Wednesday, June 28th, from 6:30 til 9:30pm. In order to qualify for the graduation ceremony and the special completion certificate, students must have successfully completed the 3-course program, *Principles of Political Economy*. Eligible students will be notified by mail.

Socrates at HGS

On February 18, as part of the School's Friday Evening Forum series, long time Georgist Don LaVor gave a comprehensive lecture on Socrates, in celebration of the 2400th year anniversary of his death.

Don presented Socrates and his 4th Century B.C.E. Athens environment on a human level,



Don LaVor

delving into the social milieu of the time and vividly recreating that era.

What separated ancient Greek philosophy, and Socrates' philosophy in particular, from the

philosophy of other cultures and times, was the Greeks' search for a systematic understanding of the world, Don said.

He quoted Clement of Alexander who said the ancient Greeks combined "thought and memory, time, measurement and distance as a composite concept, and put together harmonious proportions into a complete thinking, a process that was Greece's greatest single gift" to Western history and intellectual development.

Don also touched on various aspects of Socrates' life: his service in two Greek wars, his ideas on living in a republic, his family life and his early education and his years employed as a craftsman. Socrates father, who had worked on the Parthenon, taught him the craft of stone cutting.

Don's summing up was twofold. He discussed Socrates' influence on those who followed him: notably Crito and Xenophon and their use of the famous Socratic method.

Don also described Socrates' death in moving terms and touched on society's apparent need to sacrifice its intellectual and moral leaders in the name of some abstract, state-define standard of virtue. Socrates was put to death for corrupting the young; his teaching was based on consistent intellectual principles rather than on mythic tales of the deeds of the gods. "Even in those days," Don concluded, "it must have been very hard to consider the corruptive influence of an old man who wore only a single cape on his back, and walked the streets of Athens with empty pockets."

Poetry as Social Force Marisol Espailat

On Friday, March 10th, the Henry George School's Spanish Affairs Department held a seminar: Poetry as a Social Force. The program presented the literature of Latin American poets and writers, who read their work aloud.

Program Coordinator Manuel Felix initiated the recital and presented each of the poets in turn. Among the participants were Mr. Ramon Alvarez whose witty stories had the audience practically rolling in laughter; Mr. Hector Miolan, a well known and socially active Dominican essayist and poet who shared several of his romantic verses. Also, Ms. Marisol Espailat, who read

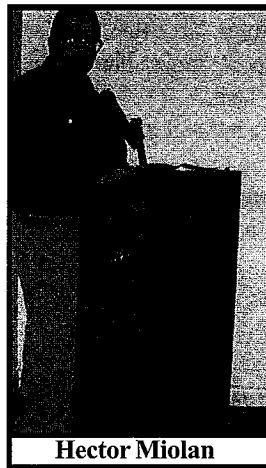
Excerpts from the night's readings:

Tan pronto me vio llegar
me hizo espacio a su lado.
Eramos pasajeros de trayecto corto.
Abriendo un envase plástico
el olor de la hamburguesa
haló con magnetismo
todas las miradas del vagón
Truenos torturaban mis calles digestivas.

Toda mi boca se llenó de agua.
Me apreté los labios
para impedir el escape
de una gota en acecho.

Las burbujas explotaban.

Ramón Alvarez



Hector Miolan



Crystal & Lucy Toomey



Marisol Espailat

several stories ranging from the romantic to the suspenseful, as well as poems, in English and Spanish.

Next up was Ms. Dinorah Coronado, a psychologist and teacher who read a short story entitled *The First Lady*. Following her was Ms. Maitrelli Villaman Matos, actress and playwright, who made a rather dramatic entrance and gave an equally dramatic presentation of poems from her book *BX15*.

Lastly, Lucy Toomey, long time School associate and volunteer, read two poems in Spanish. Her daughter, Crystal, then got up and translated her mother's poetry into English.

The evening's presentation closed with words of gratitude and praise from a new HGS teacher, Ms. Quisia Gonzalez.

One concluded after witnessing the presentations from all the participants that poetry indeed lives as a social force; it is a never-ending kaleidoscope of words and ideas and a link toward social, spiritual, ethno-political growth and integration.

There are shadows
dancing in the hallways
of your eyes
Dense...
foreign...

Night...
the now sovereign ruler of your heart
has closed the curtains and locked the doors
But...
here I stand
awaiting admittance.

Marisol Espailat

Con tanta sal vertida
Mi llaga es ya sólo un pozo negro
Y tú no paras de verterla
Con la velocidad más espantosa
Que deja toda mi humanidad lacerada
Cual cadáver flotante
Que sólo Chochueca osaría enterrarle
Sin el menor sonrojo.

Héctor Miolán

From the Archives

Vesa Nelson

The Regulators

In the early growth of the frontier into what eventually became the United States of America, the development of an essentially hunter-gatherer-barter society into an agricultural one depended on many factors, not the least of which were settlers and farmers willing to act as a buffer between "civilization" and the wilderness beyond. As an emerging plantation culture began to replace the wilderness economy, it also began to swallow up land in the low-country; small farmers began to move into the pine barrens and sand hills of the upper Piedmont and even began to cross the Blue Ridge Mountains into Cherokee Indian country. The new frontier was not as friendly and rewarding towards labor as expected.



Law enforcement and governmental defense services such as courts, sheriffs, constabulary, and military protection were monopolized by the planter class of the seaboard in the 1760s Royal Proprietary Colony of Carolina, thus limiting their effectiveness for more adventurous farmers. Crown policy prevented the expansion of representation to include

the up-country settlers. It also denied the creation of new parishes which could provide much needed services. Predictably, a flat tax on acreage - without regard to its value - and with generous loopholes for planters, placed an inequitable burden on backcountry settlers.

Meanwhile, the governing body in Charleston feared slave rebellion and the slightly remote possibility that the slaves might make an alliance with the Cherokees. For these reasons, the militia was kept close to seaboard civilization. Sheriffs and the constabulary maintained 'order' - enforced a curfew for slaves and monitored the legitimacy of their errands in town - in addition to enforcing writs arising from commercial disputes, etc. Backcountry settlers who had land claims to file, boundary disputes, commercial disputes and criminal allegations to settle had to make a journey to the courts in Charleston taking a minimum of six days.

Backcountry settlers were despised yet needed strategically. *Despised*, for lacking a civilized "style of living"; *needed*, as a buffer between the Cherokee Nation and the slaves. In fact, the first years of the 1760s saw a war with the Cherokees that nearly destroyed the Royal Proprietary and exacerbated the tension between the backcountry and the seaboard.

Militia veterans suffering from what we today call post-traumatic stress syndrome moved into the backcountry. So did deserters. They joined with others alienated from current social institutions. Contemporaries described these others as ruffians, absconded debtors, small scale planters with few start up resources, idlers, gamblers, and unsavory types from the north.

They applied themselves to any mixture of hunting, squatting, poaching, pilfering, theft of livestock, plundering, or organized horse theft. Many formed their own settlements. Being an outlaw or one of the 'low people' was just a matter of the degree of alienation.

Not only did they enjoy gang connections, but they also had the tacit compliance of innkeepers and trading post operators. They could also count on evading capture by early warn-

ing, or if, captured escaping through collusion with their 'fences' among the innkeepers and

...their boldness forebode ill for Royal rule in America.

traders. Toleration lasted until 1766 or thereabouts, when outlaws began resorting to torture and other cruelties routinely during robberies.

Outraged backcountry men organized themselves into unauthorized ranger and militia outfits to restore order. They titled themselves 'Regulators' and took solemn oaths pledging loyalty to one another. At first they succeeded in destroying outlaw settlements, breaking up gangs, taking into custody offenders and handing them over to lawful courts for trial, and punishing minor offenders by lashings.

By then regulators began to move toward excess themselves. With the outlaws driven out of the Proprietary, they began to 'regulate' the public morals (drunkenness, domestic violence, idleness) of ordinary folk.

Soon a counter reaction formed demanding the imprisonment of at least a few of their leaders. But unlike Bacon's and Shays' rebellions they were not quashed militarily. The passage of the Circuit Court Act of 1769 and a Royal Pardon for the Regulators allowed their peaceful dissolution. Regrettably, the Regulators are remembered in standard histories only for their excesses and categorized as the first American vigilante movement. Their original motivations and prompting economic circumstances are generally forgotten.

The Regulators were a foretaste of what was to follow. A separate and unrelated regulator movement formed in the north of the Carolina Proprietary in response to corruption as opposed to non-existent courts and enforcement officials. This backcountry movement established its own alternative courts, constabulary, militia, and representative body. In effect they had defied the Crown and their own Proprietary ruling body. Lord Dunmore, the Royal Governor at the time, said that although the Regulators had been soundly defeated as a movement at the Battle of Alamance, he communicated to the Crown that their boldness forebode ill for Royal rule in America. Indeed, this was to prove all too true.

Henry George News

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International Social Philosophy Conference

—A Georgist Sums Up

Yisroel Pensack

The following excerpts are from a paper presented by Mr. Pensack at the end of the International Association for Philosophy of Law and Social Philosophy's conference held in San Diego in March of this year. In his paper, Mr. Pensack responds to the papers of other presenters, offering a Georgist perspective. Mr. Pensack is founder and president of the Alliance to Raise Wages and End Poverty and a faculty member of the Henry George School of San Francisco. We thank Robin Robertson for calling this paper to our attention.

Several principal papers submitted for consideration by this conference share a common characteristic: their analytical framework is incomplete because it lacks an explicit recognition of the question of society's treatment of rights to land.

As the great American economist and social philosopher Henry George (John Dewey rated him among the five greatest social thinkers of all time) points out in his masterwork "Progress and Poverty" (1879): "It is not in the relations of capital and labor; it is not in the pressure of population against subsistence, that an explanation of the unequal development of our civilization is to be found. The great cause of inequality in the distribution of wealth is inequality in the ownership of land. The ownership of land is the great fundamental fact which ultimately determines the social, the political, and consequently the intellectual and moral condition of a people...Material progress cannot rid us of our dependence upon land; it can but add to the power of producing wealth from land; and hence, when land is monopolized, it might go on to infinity without increasing wages or improving the condition of those have but their labor. It can but add to the value of land and the power which its possession gives. Everywhere, in all times, among all peoples, the possession of land is the base of aristocracy, the foundation of great fortunes, the source of power." (pp. 295-6.)

This truth is the missing link in many papers prepared for this conference, and the failure to take it into account confounds learned

professors as well as ordinary citizens in their attempts to arrive at what is true and good.

Lest some object that today's high-tech world is somehow fundamentally different than the world of 1879, I call attention to an Associated Press item published on the front page of the business section of the San Francisco Examiner on February 1, 2000, reporting that a California "technology entrepreneur" has become "a millionaire three times over" by auctioning off an internet domain site name for \$3 million. The "entrepreneur" had registered the domain name, Loans.com, "for free in 1994." The article also reports the same entrepreneur "also registered Houses.com, Lawoffices.com, Artists.com and Romance.com, all of which he still owns." This is land speculation in cyberspace.

Failure to recognize and take into account massive economic privilege upheld by force of law, in particular landlordism or private property in land, is the missing ingredient in many of this conferences' papers. This comes as no surprise, because most of us are conditioned from birth to revere and uphold large-scale economic "getting" without reciprocal "giving" of labor products or rendering service in return. This mind-set did not develop by accident.

Professor Emily R. Gill, in her paper on "Autonomy, Diversity, and the Right to Culture," points out that "Freedom is...grounded on [a land metaphor] the liberty to leave associations, which also implies freedom to form new associations." Henry George points out in "Progress and Poverty" that "association in equality" is indeed the social condition which fosters human progress. Social and political freedom, however, are mere empty forms in the absence of true economic freedom, which necessarily involves equality of rights to land. To achieve this equality and thereby raise wages by throwing open natural opportunities to labor and capital, George proposed abolishing all taxes save that upon land values, an idea which eventually came to be known as the Single Tax.

Both Leo Tolstoy in Czarist Russia and Sun Yat-sen of China, among other great thinkers, strongly advocated Georgist eco-

nomie reform in their countries, as did a young Winston Churchill in England.

In "Exporting Mental Models: Global Capitalism in the Twenty-First Century," Professor Patricia H. Werhane focuses on issues of con-

Failure to recognize and take into account massive economic privilege upheld by force of law, in particular landlordism or private property in land, is the missing ingredient in many of this conferences' papers.

cern to contemporary Georgists: "environmental sustainability, international trade [Henry George was a staunch free-trader but he understood that in the absence of heavy land-value taxation, free trade will ultimately benefit only landlords and other privilege holders -- see his *Protection or Free Trade* (1886)], exploitation, corruption, unemployment, poverty, technology transfer, cultural diversity."

Professor Werhane then asserts: "There is a mental model of free enterprise, a model primarily created in the United States, that is being exported, albeit unconsciously, as industrialized nations expand commerce through the globalization of capitalism." I do not presently wish to affirm or deny the truth of this statement, but rather to call attention to the catchwords "free enterprise" and "capitalism" which recur throughout many conference papers and which are rarely carefully defined, if defined at all. These terms themselves obscure the underlying truth that our so-called western, free enterprise, capitalist system itself is a system superimposed and based upon the land tenure system and land laws of the Roman Empire and feudal Europe.

How many legal scholars, be they Amintaphil members or not, know that an attorney is, etymologically, according to Webster's, one who notifies or persuades others to agree to become tenants to a new owner or landlord of the same property -- in other words, the attorney prods them to recognize a new landlord as the legal "owner" of the land, and, by implication, to pay rent to the new landlord rather than the old. The rather fantastic but nowadays generally unquestioned and unchallenged notion that a person can actually "own" land to the exclusion of the

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Georgist Volunteer Helps Flood Victims

David Domke

"They say the economy is booming and employment is high - they say these are good times," says Evelyn Samuels, "but don't tell that to the residents of Princeville, North Carolina. Their town of 1,200 homes was virtually destroyed during the devastating floods following hurricane Floyd last year and they are now displaced persons living in government-issue summer trailers."

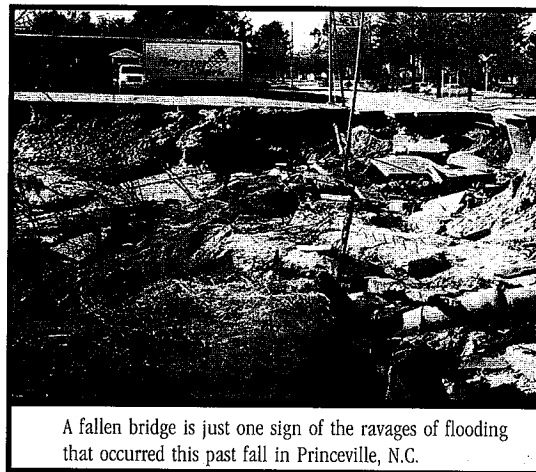
In fact, their town is now called Princeville/FEMA Park (FEMA is the Federal Emergency Management Agency) and, as Evelyn relates it, it is a "psuedo-town" with no services, no schools, no health care, no jobs, and nowhere to buy goods." This trailer park, inexplicably situated behind a women's maximum security prison, is itself only temporary - the U.S. Government says they must vacate even those meagre dwellings after 18 months. And even "FEMA-ville" as the residents themselves call it is not a gift of government charity or a service rendered for taxes the citizens have paid over the

past years. The residents are actually charged rent by the government for the "privilege" to live there. And they can never return to their former town for the government has condemned the entire place as unsafe to live in. Evelyn, a long-time volunteer at the Henry George School, has seen first hand the dire circumstances these people now live in. Over last Christmas she

joined a group of people who travelled to Princeville to see what could be done to help the families there.

"There are a number of people there with no socks, no winter coats and many children with only T-shirts to wear - they lost so much during the floods. These people are poor - they're truly helpless *and* they can't return to their homes; after a few months they will have no place to go."

Ironically, Princeville was once called *Freedom Hill*. It was established by freed Black slaves in 1865 and in 1885, it was incorporated as the town of Princeville, making it the first all Black town in the nation. Today that rich heritage is all but a memory as the descendants of the town's founders struggle to survive in the shadow of a



A fallen bridge is just one sign of the ravages of flooding that occurred this past fall in Princeville, N.C.

estimated to be \$80 million. Some of the expense is being offset by volunteer labor provided by neighboring churches and college students.

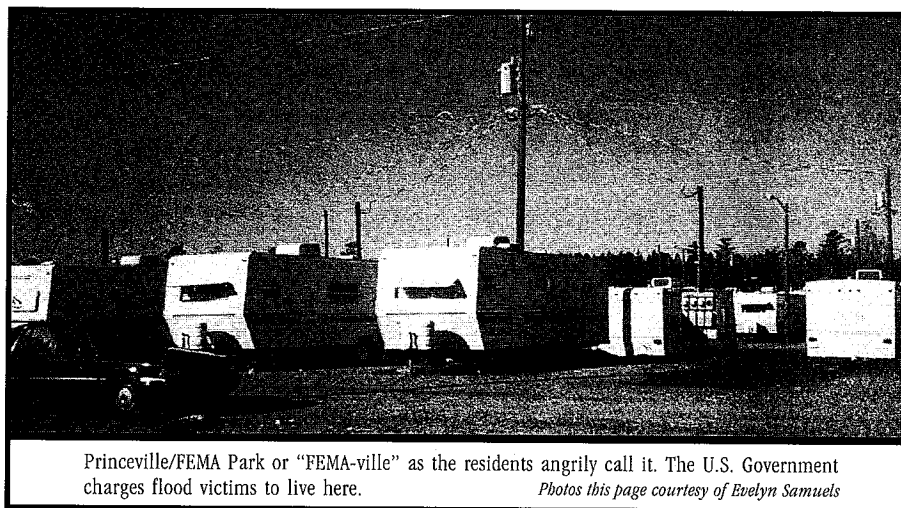
The Congressional Black Caucus is pushing for federal relief initiatives for the entire region. Hopefully, this will stimulate banks to offer the low interest financing needed to undertake the massive rebuilding project.

As a sign of the community's spirit, one local resident was quoted as saying "We don't have anything left in regard to material things, but we have each other, our spirit and our faith. Our ancestors started

with nothing and they made it. We can too."

Commenting on that can-do community spirit, Evelyn says that in talking to many of the local residents, what comes through is a strong sense that "this is their home, no matter what. They own the land and place their hopes for the future on that fact. They may not have much now, after the flood - but they have the land." Evelyn plans to go back soon. "The need is just so great, she says."

Donations can be made to the Princeville Rebuilding Fund c/o Centura Bank, PO Box 560, Tarboro, NC 27886. To provide building supplies and labor: The Congressional Black Caucus Hurricane Floyd Relief Fund, 800-784-2577.



Princeville/FEMA Park or "FEMA-ville" as the residents angrily call it. The U.S. Government charges flood victims to live here. *Photos this page courtesy of Evelyn Samuels*

maximum security prison and now live in what amounts to a shantytown-on-wheels.

Since Princeville is not situated in a flood plain, the town's residents were not eligible for flood insurance. Flood plain or not, the waters from the nearby Tar River crested at 43 feet, rising to the top of the 19th century church steeples and centuries old pine trees. Many people had to be rescued from their house tops and in some cases tree tops by helicopter as the waters rose.

Adding to the resident's frustration, a number of land speculators have descended on the town, pressuring them to sell their land.

The townspeople have decided to rebuild, spurning both the offers of speculators and government buyouts. The cost of rebuilding is

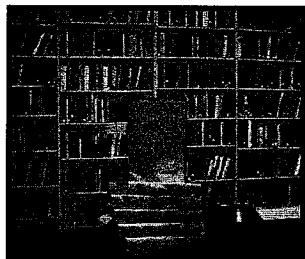


Evelyn Samuels points to the still-standing sign of the former town of Princeville.

Support Your Local Library - Give 'em Henry George

Does your local library carry George?

If they do not, here's a way to enrich their collection. The Henry George School, in conjunction with the Robert Schalkenbach Foundation (the publishers of Henry George), has begun a campaign to get the works of George (in hardcover) in as many public libraries as possible.



We are asking readers of the Henry George News to visit their local libraries and check the shelves to see if they carry the works of Henry George. If they don't, or only

have one or two, simply supply the School with the library's address (and the titles required) and the School and the Robert Schalkenbach Foundation will do the rest. So, support your local library by making sure they have the works of Henry George on their shelves and you'll be helping further the cause of social justice too. The major works of Henry George are comprised of: *Progress & Poverty*, *Social Problems*, *Protection or Free Trade*, *The Science of Political Economy*, *The Land Question* and *A Perplexed Philosopher*.

SPRING 2000 CLASS SCHEDULE

Progress and Poverty

(Fundamental Economics)

PART I: Principles of Political Economy

(All classes 6-8 pm)

Mondays: Vesa Nelson
Tuesdays: Alton Pertilla
Wednesdays: George DeShields
Thursdays: Paul Kahane
Thursdays: Quisia Gonzalez (in Spanish)

← Learn how our economy is structured to ensure an imbalance in the distribution of wealth and opportunity.

← Make a distinction between the natural opportunities of the Earth and those values produced by human labor.

← Explore the relations between the individual and society and principles of private and public property.

Applied Economics

PART II: Principles of Political Economy

Wednesdays: George DeShields 6 to 8pm

Beneath political problems often lie social problems caused by the maldistribution of wealth. This course confronts those problems directly and examines the current global economy and free trade initiatives. Will the WTO and NAFTA increase your wealth or reduce your wages?

Economic Science

PART III: Principles of Political Economy

Mondays: Paul Kahane 6 to 8pm

Tuesdays: Tito Ortiz (in Spanish)

This course enables students to understand and evaluate economic theory and demonstrates how economic behavior is the engine of civilization's development. This class may be taken as the second part of the three course program.

Great Decisions

Mondays: Bruce Oatman 6 to 8 pm

The *Great Decisions* program features eight broad-based issues currently challenging U.S. policymakers. Through a range of teaching materials, the program explores the issues, historical contexts, and implications for the future. All *Great Decisions* materials are non-partisan and balanced.

Liberation Theology

Tuesdays: Vesa Nelson 6 to 8pm

The venerable truth that religion cannot truly do its work without promoting justice on earth inspired a 20th century religious movement, particularly in Latin America. This course examines land ownership, foreign debt and post-colonial social problems in an effort to formulate a new basis for a political economy that is consistent with the age-old commitment to justice found in every religion.

US History & Government

Wednesdays: Manuel Felix 6 to 8pm

A survey of American politics and culture, from the Colonial Period to the challenges of the post-Cold War Period, focusing on US-Latin American relations.

Current Events

Wednesdays: Sydney Mayers 6 to 8pm

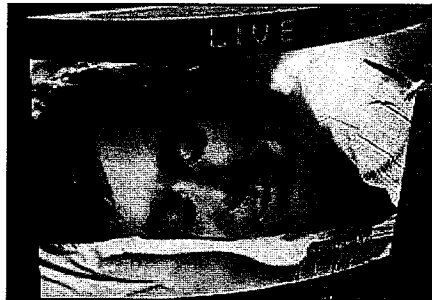
The daily newspaper is the "textbook" for each session of this course. This will demonstrate the timeliness of the economic and social philosophy of Henry George over a wide range of issues, and serves as a means of updating his proposals. This course will depend heavily on student participation in seeking to establish a logical means of coping with today's problems.

You & the Law

Thursdays: Dan Kryston 6 to 8pm

A lawyer examines the foundations of western law with an emphasis on its relationship to political economy. Theory will be explored as well as the practical aspects of individual business relationships.

UPCOMING SEMINARS



FRIDAY FILM FORUM

Friday, April 28 (6:30-9:00 pm)

The Truman Show

Life the movie - or, in this case, the TV show! Our societal obsession with entertainment and "real event" drama raises disturbing questions about the vicarious, manipulated image replacing human experience. Jim Carrey stars. Discussion follows.

HENRY GEORGE VS. HERBERT SPENCER - TRAITOR OR REBEL?

Friday, May 19 (7:00-9:00 pm)

In 1850, the young British philosopher Herbert Spencer wrote "Equity does not permit property in land." Spencer championed the rights of free speech, equality of the sexes and the right to the produce of one's own labor, among other rights. He was a major influence on Henry George. By 1892, however, Spencer had abandoned these views for a more relativistic ethics, provoking George to write *A Perplexed Philosopher*. Dr. Jack Schwartzman, a longtime Georgist and School Trustee, examines the legacy of Spencer.



THE CUBAN CONNECTION

Friday, May 26 (7:00-9:00 pm)

Dr. Michael Hudson and Ted Gwartney, Executive Director of the Robert Schalkenbach Foundation, have recently returned from Cuba, where they attended a symposium at University of Havana and related sharing land rent to problems of debt, dependency and maldistribution. They will report on their experiences and talk about the future of Cuba.



YOU & the JOB MARKET

Bring your resume!

Henry Silverman, a manager in the Community Services Division of the NY State Department of Labor, will illustrate the dynamics of the job market, including your skills assessment, resume construction, resources and skills pricing. This seminar is by registration only and is limited to the first 25 students.

Friday, June 9, 7 to 9 pm

continued from p. 1

sources, and the cheap disposal of vast wastes into landfills, and into the air and water. The true social and economic costs of this are never calculated in corporate ledgers. Extraction costs are noted, but not costs of replacement; disposal costs are reflected in these ledgers but not eco-system damage or health risks.

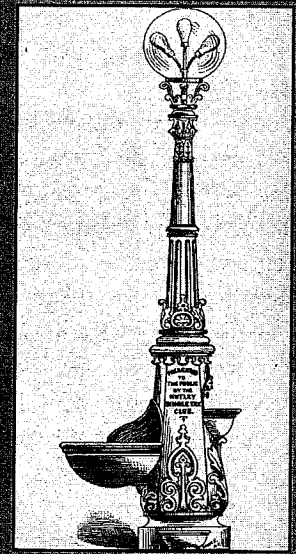
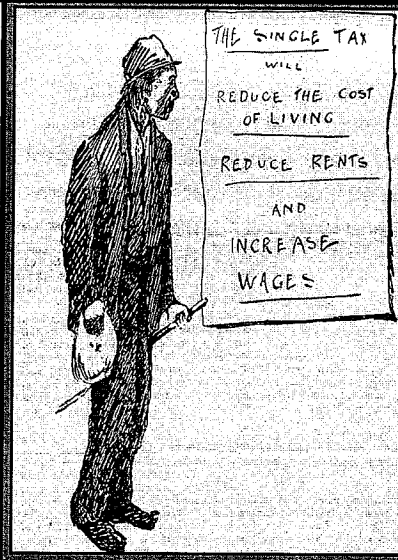
Of course the dilemma this creates is that the more we produce, the more precarious becomes the balance among the millions of biological species and physical processes that have developed over billions of years. We depend completely on the integrity of that balance.

Under such circumstances, the chances of ten billion people living at a Western level of affluence are approximately zero.

There are three typical responses to this predicament:

1. Free market optimists often deny there is a problem at all. They see a prosperous future for us all, if innovation and investment are unhampered by government intrusions. Price signals will alert us to looming natural shortages or perils. Technical breakthroughs or resource substitutions will then keep us on the track to growth. Believing capital to be the primary vehicle of wealth creation, this group tends to minimize the contributions of other factors.
2. Labor spokesmen and social-democrats are most attuned to the crude effects of the neoliberal cowboy capitalism that is currently being foisted on the world by the sponsors of the IMF, World Bank, and of course, the recently created, and recently much protested, WTO. Believing labor to be the primary source of wealth, this group is most impressed by the growing concentration of affluence into fewer hands, both within and among countries, and by the widespread, although not complete, immiseration of many of the world's workers.
3. Thirdly, environmentalists focus upon the earth's biological and physical carrying systems. They are concerned with how much economic and population growth is possible without fatally damaging these systems and bringing ruination to us all.

While some environmentalists have lately become interested in tax and market mechanisms, many see business and labor as their primary adversaries. The authors do acknowledge the essential core of truth in all three positions.



Archival Illustrations

Cartoon promoting the single tax, *The Australian Standard*, 1901

Single Tax Fountain, Nutley, NJ presented by the Single Tax Club, 1900

You will notice that these typical responses parallel the Georgist trinity of the factors of production: land, labor and capital. But in emphasizing only one of those factors and making that factor the primary source of all value, none of the three camps is able to achieve a comprehensive theory of wealth production, which is essential to creating solutions that are sufficiently general and differentiated to deal with the complexity of these problems.

They see their task as suggesting ways we can revamp our manufacturing that will reconcile the positive interests of each group, and avoid the pessimistic scenarios which each realistically fears. They call their solution *natural capitalism*.

This partly involves a continuous reinvention of our industrial engineering processes in order to dramatically increase the productive use of resources, and to transform all waste into resources for new products. The writers provide hundreds of exciting examples of new technologies which are already in use, and others still on the drawing board.

But for readers of this newsletter, the most pertinent suggestion in *Natural Capitalism* is a complete tax shift from capital and labor to land and resources. The authors see this

shift as the solution to the key problems of environmental degradation (there will be powerful incentives to conserve resources), and high structural employment around the world coupled with jobless growth (it will be much less costly to hire people). They also want to tax all activities, like smoke-stack emissions, which we would naturally want to discourage.

This will not happen next week, of course. The federal government gets 54% of its tax income from labor, 26% from capital, and 11% from corporate profits. The authors suggest a twenty-year transition.

The book misses a few relevant points too. It doesn't mention untaxing structures, for example,

except corporate ones.

While the writers want to tax resources, as they are extracted and used, they have too little sense of the monopoly benefit of land ownership, and thus underemphasize the dramatic political shifts that a land value tax would permit. Maybe they don't want to scare the horses!

In any event, in this our third millennium Georgist ideas are not only crucial for economic efficiency and social justice, but are also an indispensable guide to environmental balance and renewal.



CREATING THE NEXT INDUSTRIAL REVOLUTION
Natural Capitalism

PAUL HAWKEN | AMORY LOVINS | L. HUNTER LOVINS



continued from p. 4

equal rights of others comes to us courtesy of the Caesars.

To understand how the notion of private property in land became entrenched, indeed enthroned, in contemporary economics, one must understand that modern "economics" was designed and intended to supplant the "political economy" of Adam Smith, David Ricardo and John Stuart Mill ("Landlords grow rich in their sleep." -- Mill), the principal propounders of so-called classical political economy, which culminated in the establishment-threatening writings of Henry George.

This submerged aspect of intellectual history is discussed at length in the essay "Neo-classical Economics as a Stratagem against Henry George" by Mason Gaffney, professor of economics at U.C. Riverside, published in "The Corruption of Economics" (1994). Gaffney focuses there on the role of academic economists in suppressing the teachings of Henry George, but he elsewhere discusses the equally important role of the Roman Catholic Church

I find Professor Werhane's seeming sentimental attachments to serfdom and rack-rent sharecropping highly disturbing. She says: "For example, land reform and the redistribution of property [in land], apparently worthwhile projects to free tenant farmers from feudal bonds, will only be successful if the new landholders have means to function as economically viable farmers and in ways that do not threaten age-old traditions. As the Philippines example demonstrates, the fragile distributive system in the feudal community cannot be dismantled merely for the sake of independence and private ownership without harming complex communal relationships that maintained this system for centuries." The same could be said in opposition to the Exodus of the ancient Hebrews from bondage in Egypt and their settlement in the Promised Land.

In his paper "Law and Market Economy," Professor Robin Malloy cites a 1996 study by the Fraser Institute which concludes that countries which give more freedom to individuals to trade, exchange and interact; provide more protection for property, contract, and civil rights; and, provide ready and fair access to the sys-

tem of justice are wealthier than other countries. The term "protection for property" and the word "property" in particular are not defined, at least not in Malloy's paper. Before the Civil War, the South and the United States as a whole gave great "protection for property" in the form of slaves. Was this a good thing

Henry George proves beyond refutation that all people are born with equal rights to the use of the earth. This is the fundamental economic birthright of every human being.

morally, economically or otherwise? And if so, for whom? What about private property in land -- is it a good thing morally, economically or otherwise?

Malloy focuses on creativity as desirable for society. "Creativity is facilitated by an environment that encourages challenges to convention. Such an environment needs to be open, tolerant, diverse, and flexible. Such an environment requires an ethic of social responsibility based on three general characteristics; humility, diversity, and reciprocity." Private property in land is clearly a social institution that undermines reciprocity and makes reciprocity impossible. Landholders, as landholders, only take in the form of rent and land sales prices and give nothing in return [unless one wishes to call granting permission to use land and to produce on it a "giving"]. It is only by fully taxing land values up to their full annual potential ground rent that the relationship between landholders and the rest of society can be made truly reciprocal.

In "Human Needs and Economic Justice" Dr. Anja Matwijkiw argues that "It should

be...uncontroversial and unproblematic... to say that...fundamental economical and social rights, viz., basic human need-rights are real; that these exist, in the first instance, as moral rights; and that they, because of the importance of the interests involved, ought to be made legal claim-rights.

"Nevertheless, many theorists oppose this, proposing procedures that not only favor civil/political rights over basic human need-rights, but also engage in unfair discrimination at the level where rights are conferred and, through that fact, make even minimal global justice impossible. The cruel and cynical point is that redistribution of economic goods never becomes an issue because rights are withheld from those who, in one sense, most need them."

Again we see the confusion that arises when good intentions overlap blindness to the issue of rights to land versus ostensible "rights" to particular man-made goods (properly called wealth in political economy) and services.

Henry George proves beyond refutation that all people are born with equal rights to the use of the earth. This is the fundamental economic birthright of every human being. This right necessarily implies equal rights to the value of land and its annual ground rent (including the value of the electromagnetic spectrum reflected in the value of broadcasting rights). This fund is the naturally intended, true source of public revenue. The value of land grows with the growth of civilization, while the cost and value of man-made wealth declines with progress.



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