

As students of the Henry George School and Institute know, our basic courses include lesson supplements which connect Henry George's analysis with present-day concerns. They present current statistics on issues such as population, urban sprawl and wealth concentration, relating George's ideas to subsequent economic theories and modern issues such as the ownership of broadcast rights. One issue, however, to which Henry George's remedy is very relevant - the environment - had never been addressed in the course materials. This year, Bob Clancy of the Henry George Institute - with some input from your editor - has included the following statement in the final lesson of Applied Economics.)



There has been much concern over the environment-pollution of land, air and water, industrial wastes, over-development, destruction of nature.

Much of the problem has been due to our system which permits land monopoly and land speculation. As a community grows, large areas are acquired for speculation. This results in "leap-frog" development, with people moving further out to find affordable land. Thus all the facilities needed for a growing population are stretched out and made more expensive - transportation, utilities, water supply, garbage disposal, markets and other requirements.

If this condition were corrected, people and industries could move out from the centers of population at a more normal pace, thus making unnecessary the waste and expense, and a premature invasion of nature.

Land value taxation would make this condition possible, as people could then acquire sites closer to the centers more cheaply. Furthermore, as George suggests in his chapter on "City and Country," people could enjoy both the advantages of urban culture as well as proximity to nature, instead of, as now, either being crowded in the city or settled so far away that urban amenities are not conveniently available.

The environmental problem is exacerbated where land monopoly is at its worst. In Brazil, the destruction of the rain forest is deplored. People crowded in urban slums go to farm these areas, not well suited for agriculture, because prime agricultural land is owned by a few *latifundistas*. An application of land value taxation would improve this situation. Better land would become available without having to resort to the rain forest.

We also find that in African countries whole communities of people are forced by the dominant ruling cliques onto poor land not suitable for habitation. The plight of the disinherited people is often attributed to overpopulation or overuse of land, but the real cause is land monopoly.

Often, measures advanced by environmentalists to improve the situation would require much regulation and restriction of individual liberty, along with a degree of monitoring that would become increasingly difficult to attain. Under land value taxation, and relief from other taxes, good environmental standards would be easier to achieve. A greater sense of community and voluntary observance could be relied on, instead of increasing regulations imposed by government.

Environmentalists are deeply concerned about the consequences of reliance upon fossil fuels, and hope to shift to renewable, less-polluting energy sources as soon as may be. Land value taxation would provide a significant incentive shift in this direction. At the current state of technology, resources such as solar power are not yet cost-competitive with fossil fuels. However, the energy industry receives various indirect subsidies, and the techniques for utilizing coal and oil have been refined for over a hundred years. A major cause of this has been that while people can own the potential energy resources themselves, in the ground, it is not possible to own the sun. Profits from oil and coal come from land and capital, whereas profits from various forms of solar energy come almost exclusively from capital. A tax system that collected ground rent, and removed the tax burden from labor and capital, would make solar energy more competitive with entrenched - but environmentally destructive - fossil fuels.

Environmentalists need to learn the remedy of the single tax on land values as a way to improve the environment.

There was an economist who planned
To live without access to land
He would have succeeded
But found that he needed
Food, shelter and someplace to stand
(thanks to Irene Hickman)