

AMERICAN HERITAGE, a prestigious magazine devoted to the American historical scene, rated *Progress and Poverty* one of the 10 most influential historical books written.

Translated into more than 40 languages, it has continued to remain an all-time best-selling economics book in an era when classical economics books are relegated to the back of the bookshelves.

Why, after more than 100 years, is this magnum opus by Henry George still at the forefront of economic classics even though it is virtually unknown by the majority of the populace?

With *Progress and Poverty* George has influenced such notables as Tolstoy, Sun-Yat-Sen, Einstein and Winston Churchill. The book's message receives a wide audience, yet the author remains unknown.

After finishing *Progress and Poverty*, George literally sat down and cried. He had been

IMPORTANCE OF

researching for over a decade the causes of increasing poverty amidst an ever-increasing national wealth. The work was, as stated in the subtitle, an inquiry into the causes of industrial depressions and of increase of want with increase of wealth.

George was not content to examine one aspect of the economy, as do many economists today. He would be intellectually satiated only when he had seen the entire economic picture. George took on the herculean task of delving into disciplines that had been the provinces of experts. For, in examining man's plight and his quest to earn a living, disciplines such as sociology and anthropology became intertwined with human nature, natural law and human rights.

As one ploughs through over

500 pages, written in Victorian English, where one sentence can be a one hundred word paragraph, the reader is instantly struck by its style. It is the logic and development of economic and historical ideas that ranks this book as a classic. It is first and foremost a strong and yet broad interpretation of why poverty exists amidst ever-increasing wealth.

Several major themes run through *Progress and Poverty*, though it is a melange of the ideas of economic classicists — Smith, Ricardo and Malthus. George's analysis synthesizes ideas of monopoly power, libertarian principles and man's relationship to land. In the true spirit of scientific inquiry, George examined relationships of cause and effect in much the same manner

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PROGRESS AND POVERTY

that Einstein (himself an ardent admirer of George) used a relationship in the study of physics.

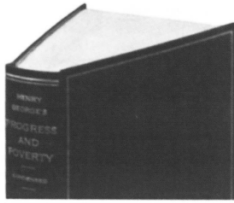
From the time of robber barons to the present, the concentration of economic power continues to be of prime concern. Whether the early trust laws of the Sherman and Clayton period, or current Federal agencies curtailing merger deals, concentration — in industry or the labor market — has been an arena for governmental regulation.

Upon closer scrutiny, it will be observed that the weight of restriction has been placed on industry and labor. Removing himself from the mainstream of economic thinking, George realized that scant attention had been given to the third factor of production — land and all natural resources found on land. It is in this realm that true monopoly lies. Land monopoly is, as Winston Churchill remarked, "the mother of all other monopolies".

Land, as distinct from the other ingredients necessary for wealth production — labor and capital — is nature-made, falling outside the confines of man's achievements. It is all-inclusive, encompassing not only the solid mass of nature's creation, but also its liquids (oceans and seas) and gases (atmosphere).

By its very nature, for our purposes, land, as it has been defined, is limited and therefore capable of being distinct from the other factors. Man's products can be duplicated; there is only so much land. There is only so much land in Manhattan, and each owner has a monopoly on his parcel.

The monopolization of land aggravates the situation of a growing number of people who want access to a limited amount of land. It is this concentration of nature, even in the United States, where 3 per cent of the people own 95 per cent of private land,



that makes other monopolies possible.

Monopoly power, which springs from control over land, is an important issue in *Progress and Poverty*. It is the monopolization of land which invariably gives power to the strongest and the most cunning while denying a decent way of life to the majority of people.

To survive, mankind must have access to nature, to all its wealth. Deny him that access to land and he is denied the opportunity to earn a living. As George says, nature was here long before the advent of mankind and since the value that accrues to this land was not man's accomplishment, the fruits of that land belong to society as a whole.

Society created the value of land and ought to reap the benefits of that value. Individual ownership of land, for the sole purpose of attaining a profit, either through holding it for a period of time (speculation) or through allowing others to use it, is morally wrong and economically disastrous.

In *Progress and Poverty*, George stresses the idea that poverty is related to our views of land management and ownership. When poverty occurs, it is not necessarily the result of an individual's lack of motivation, but rather his inability to gain access to land.

When laborers and capitalists and managers of industry put forth effort, they are creating

wealth. However, part of the wealth that has been produced goes to the owner of the natural resources, and as George says, the landowner merely takes from the wealth-producers and pockets his share. And his share? Whatever the market will bear. It is nature that has created his land and the market that has created the value of that land.

To correct this imbalance, one which has remained a part of our Western civilization for the past several thousand years, it is merely necessary to tax the rental income that accrues to the landowner. To accomplish this change, a single tax (a tax on land values) should be instituted, abolishing all other taxes on labor, capital, products, sales, imported goods, etc.

In economic terms, a tax on the economic rent, which is tantamount to a tax on what individual owners demand for the use of their land, should be put into effect. With this one swift fiscal stroke, society would then be in a position to deal with its economic problems. But first the causes of the mal-distribution of wealth, and not the effects, must be tended to.

SINCE the publication of *Progress and Poverty* in 1879, governments have recognised that nature — land, oceans, even space — belongs to all of mankind. But George maintains that it is not the place of government to redress the economic imbalances, the vast discrepancies between rich and poor. It is the purpose of government, however, to maintain an atmosphere where the free market can function.

It is through a market economy, George felt, that man is able to be most free — free to do and buy whatever he chooses. But this liberty or freedom of choice cannot be achieved without

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Long-term lessons World's big

AT THE same time as the Christian era began in the Old World, New World hunter-gatherers of the Hopi and Zuni tribes were constructing adobe-walled towns supported by agriculture and operated under a sophisticated political structure that included a formal court system.

Hunting tribes east of the Rocky Mountains lived in villages and periodically moved when game and other available food became depleted. The Algonquin, in the Northeastern part of the continent, were semi-sedentary and agricultural, as well as being fishermen and hunters.

Further south (from Lake

By
EDWARD
J. DODSON



Champlain to the Genesee River and from the Adirondack Mountains to central Pennsylvania) five other tribes eventually united to form a confederation, the "Iroquois League." Yet, these tribal groups remained "primitive" in terms of political organization and technological knowledge as compared to the Europeans who eventually arrived to compete for control of the hemisphere.

Outside Peru, Mexico, Central America, and the Iroquois country, the Indians were completely decentralized; each tribe controlled but a small territory, lived in a state of permanent hostility with its near neighbors, and knew nothing of what went on elsewhere.¹

Individual groups were essentially exclusive clans, hostile toward the encroachment of others and lacking in a common structural relationship. Their territorial instincts were extremely strong and produced warrior-dominated social structures. These natives existed in a world long disappeared from Europe and were ill-prepared to face the storm rising over the Atlantic.

The die was surely cast much earlier, but without doubt by the mid-18th-century the contest between native and European was largely over. At least one elder chief, Sconooda, of the Oneidas and an Iroquois, sounded a warning in 1752 that if heard might have altered the future of America. Both the French and the English sought support from the

Iroquois in their war against each other. At a council held to discuss the matter, Sconooda spoke to his people:

My children, raise your heads! Open your eyes! Unstop your ears! Can you not see that it makes no difference whether these white men are of the French or the English or any other of the peoples from across the sea? All of them threaten our very existence. All of them! When they came here they had nothing. Now, like a great disease they have spread all over the east until for twelve days' walk from the sea there is no room for an Indian to stay and he is made unwelcome. Yet this was not long ago all Indian land. How has it gone? As these white men have stained the east and the north with their presence, so now they extend themselves to the west and the northwest and the southwest, forcing all Indians to take sides for them or against them, whether they are French or English, but in such a game the Indian cannot win.²

As Sconooda knew would happen, tribe by tribe the natives quickly lost control of their territories. The process of complete takeover required approximately 400 years, beginning with the arrival in the Caribbean in 1492 of Columbus and ending with the surrender of Tatanka Yotanka (the Sitting Bull) and the Sioux tribe. Because of the swiftness of the displacement as well as its absoluteness, one could easily

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access to nature. This access is the first step needed to achieve the individual liberty which is the spirit of the Declaration of Independence. For the Declaration and the inalienable rights of life and liberty were guiding lights for George. In the conclusion of *Progress and Poverty*, he shows us some of the hypocrisy of democracy:

We honor Liberty in name and in form. We set up her statues and sound her praises, but we have not fully trusted her. And with our growth so grow her demands. She will have no half service! Liberty! It is a word to conjure with, not to vex the ear in empty boastings. For Liberty means Justice, and Justice is the natural law - the law of health and symmetry and strength, of fraternity and co-operation.

Association in equality is the rule of human progress. That association in equality is George's dream. It is a beacon which sheds light on a better understanding of man and his relationship to nature.