

In these days of economic doubt and turmoil, the writings of the classical economists are being reexamined with more than ordinary interest. A century ago, the American economist Henry George published his best-known work, *Progress and Poverty*. George's ideas, although they created a stir at the time, never found a place in the mainstream of American economic thought as they did, for instance, in Australia and New Zealand. American democratic-capitalism, rather, was later built on the aggregate economic thought of John Maynard Keynes and a long string of successors who followed macro-type economic analysis and had no fear of government deficits. The country's current economic problems have not, however, found solutions in Keynesian economics. Perhaps, suggest the contributors to this volume, it is time to reexamine the revolutionary philosophy of Henry George.

George offered an answer to Marxism that has never been accepted widely in either developed or developing countries. Each of this volume's contributors — both seasoned economists and young experimental economists — adds to an understanding of why the George alternative to both Keynes and Marx has never been really accepted, and what promise it holds for resolving some of today's problems.

This is the first book to assess the potential of George's land taxation philosophy to eliminate inflation, balance governmental budgets, increase investment and productivity, and expand opportunities for employment in both developed and developing economies. Sections by Alan Prest and Kenneth Boulding are essential for a basic understanding of the Georgian perspective. Mason Gaffney and Matthew Edel provide a historical understanding for George's lack of acceptance in the past, while sections by Arlo Woolery, Richard Lindholm, and Roger Sturtevant show how George's land tax concepts can be applied to local government in the United States.

George's theory stems from his interest in the maximum utilization of resources and his observation that among the foundations of production land is unique because the supply does not change with price shifts. He observed that, while the cost of land rises as population grows and production increases, the increased income from land does not, and cannot, result in a meaningful expansion of supply.

He saw, too, that while governments needed more money to provide necessary services for growing populations, other forms of increased taxation had serious negative effects. Taxes on wages reduced the efficiency and availability of labor, while taxes on capital reduced investment. Higher taxes on land, however, could be collected without reducing the returns to labor and capital. In addition, land taxes could encourage full use of land potential.

This thorough reexamination of Henry George, and of the potential value of his thought to the economic problems of the 1980s, will be of immediate interest not only to practicing economists and educators, but also to all those who are searching for bold and well-reasoned answers to many of our most disturbing economic problems, world, national, state, and local.

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