Henry George News

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The Earth is the birthright of all.

In This Issue:

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 Isacsson, author of the recently published McGlynn biography, *The Determined Doctor.*

In that book, Fr. Isacsson 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.

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.*

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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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.

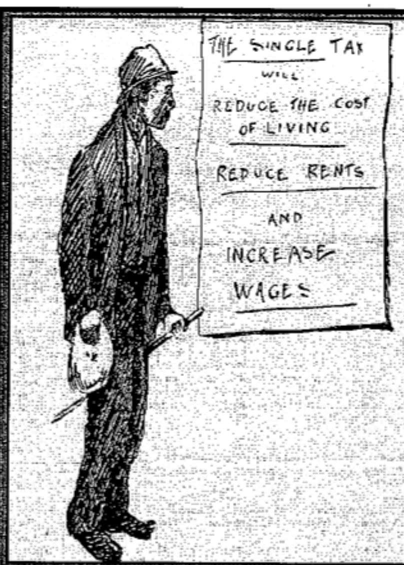
Of course the dilemma this creates is that the more we produce, the more precarious becomes the balance among the millions of biological species and physical processes that have developed over billions of years. We depend completely on the integrity of that balance.

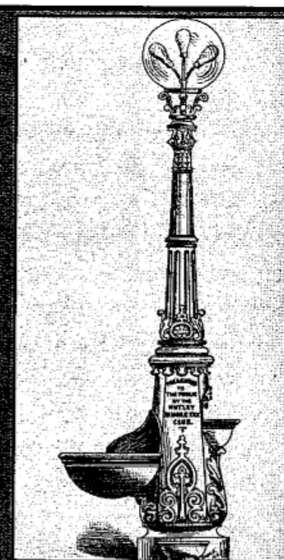
Under such circumstances, the chances of ten billion people living at a Western level of affluence are approximately zero.

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 smokestack 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.

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