THE AMERICAN INSITUTE FOR ECONOMIC RESEARCH: A ONE-TIME SISTER ORGANIZATION IN THE HENRY GEORGE COMMUNITY

By: Edward J. Dodson / June, 2026

There has existed since 1933 in Massachusetts a research organization founded by Edward C. Harwood. This is the American Institute for Economic Research (AIER). For a short period thereafter, AIER operated out of the office of a staff member at the Massachusetts Institute of Technology, then for several years in locations in Cambridge. Following the end of the Second World War, AIER acquired its current location in the town of Great Barrington, located in Berkshire County, Massachusetts.

Early in his adult years, Harwood came to embrace the analysis provided by Henry George in his main works. He wrote a book titled *Cause and Control of the Business Cycle*, published in 1932. He later became a proponent of backing paper currency with gold, and in 1955 his book, Reconstruction of Economics, was published.

Years earlier, in 1941, Harwood began a long association as a contributing writer and member of the editorial board of the American Journal of Economics and Sociology. Beginning in the 1950s, Harwood served on the board of trustees of the New York-based Henry George School of Social Science. His views frequently appeared in the issues of the school's publication, *the Henry George News*. The extent to which Harwood continued to find in Henry George's writings a degree of truth not found elsewhere is expressed in an article that appeared in the August, 1956 issue of *the Henry George News*:

> "That the basic relationships between land and labor have been correctly described in *Progress and Poverty*, few men capable of understanding this book have ever denied. …"
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> "But the increasing clarity with which observers in the United States as well as elsewhere see the underlying causes of poverty elsewhere in the world only serves to emphasize the importance of this question. How does it happen that, in spite of the long-run tendencies described by Henry George, here in the United States we are enjoying prolonged prosperity and distribution of an increasing proportion (as well as an absolutely greater amount) of currently produced wealth to those who work for a living? Obviously, if a satisfactory answer to this question is not provided in *Progress and Poverty*, many of the keenest students will conclude, in fact already have concluded, that Henry George's explanation of economic events is either erroneous or incomplete."

Harwood credits George for continuing to search for answers during the years following the appearance of *Progress and Poverty*, and for his attempt to incorporate the money question in George's final work, *The Science of Political Economy*. Harwood challenged the followers of Henry George to "seek what Henry George was seeking when he died, a more complete understanding of economic developments."

AIER's weekly publication*, Research Reports*, occasionally included articles analyzing the problems caused by the conventional way real estate was valued and taxed in the United States. An unsigned article appearing in the 23 March, 1964 issue described the ill-effects of taxing buildings and under-taxing land values:

> "When members of local governments and the citizens they serve become aware of the advantages that will accrue to their communities by shifting real estate taxation from the value of improvements to site values, such shifts can be expected to occur with increasing frequency."

Not until the 4 June, 1984 issue of *Research Reports* did another article appear on the issues, this article titled "Pro-Growth Property Taxes."

Edward Harwood died in 1980. As the above article indicates, treatment of Henry George's analysis and the advocacy of publicly capturing the economic rent of land did not immediately disappear from AIER's mission. The subject of AIER's *Economic Education Bulletin* of April 1990 was "Henry George on Exports and Imports." The article was a condensation of George's 1886 book, *Protection or Free Trade*. The April 1998 issue resurrected "Henry George's Law of Human Progress," from *Progress and Poverty*.

As leadership at AIER changed over the next decade, its research and publications no longer included analysis and commentary on the land question and the Georgist solution to the monopolization of land and other natural assets, to the cause of economic cycles of boom and bust or to the continuation of systemically-caused poverty. AIER does provide penetrating analysis of monetary economics, on economics as a scientific discipline and on economic freedom.

AIER's research team provides a monthly update on business conditions in the United States. The 24 May, 2026 update reads very much the same as one might find released by the central bank of any country or any one of the major investment management firms. In summary:

> "Business activity data continue to point to an economy in expansion, though momentum is becoming increasingly uneven as firms contend with rising costs, softer demand in some areas, and cautious hiring."

But, then, there is this:

> “Housing activity also remained subdued, with existing home sales rising only marginally as elevated mortgage rates, stretched affordability, and rising inventories weighed on demand, while home price appreciation slowed to just 0.9 percent year over year.”

Well, at least their research team is paying some attention to the residential property markets. Perhaps Shepheard-Walwyn could add AIER to its contact list. Who knows. They might purchase a book or two that would re-educate them on the land question and the role land markets play in repetition of the 18-year property market cycle.