
WHAT WE NEED TO DO, AND WHY

Written By
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A harsh truth we all face is the quickness with which time passes. Hopefully, our reflections on the past yield a sense of satisfaction that much has been learned and accomplished. I consider myself extremely fortunate to be able to say this has been true for me. Years of intellectual and philosophical searching brought me some five years ago (by chance, or by destiny) to the humble building which houses the Henry George School in Philadelphia.

I was at the time a stranger to Henry George -- the man, and his ideas. There then began for me an immersion into his life and work that continues. I have read, studied and taught what he wrote. In my own way I have rewritten and attempted to expand upon his analyses. As my own sense of understanding has increased, I have wondered how it is that only we few recognize his unique genius. This question has, of course, received the attention of other Georgists; my own conclusions follow.

An end to the life of any individual can never be thought of as happening at a good time. The sorrow felt is all the more

intense when the person is looked to for inspiration and leadership. George's death in 1897 was this type of tragedy, for his passing left in the realm of ideas a gap that has yet to be filled. One can only speculate how his presence might have influenced events had he lived into the first few decades of the twentieth century. What to me seems ironic, is that George was apparently fully aware that conventional wisdom was moving in a direction opposite to classical analysis.

In THE SCIENCE OF POLITICAL ECONOMY he observed: "... it may now be said that the science of political economy, as founded by Adam Smith and taught authoritatively in 1880, has now been utterly abandoned." Although this indicated George's dismay over the future of his discipline, his own sense of humility prevented him, I think, from recognizing that he was political economy's last, best hope. His recognition that the new economics lacked the interdisciplinary foundation of classical analysis might, had he lived, have directed an effective challenge at the new economists before their ideas became entrenched. As it was, his premature death left the task to disciples ill-prepared for the complexity of the task.

I would also suggest that the pace with which the specialization of the world of ideas was moving worked against George; had PROGRESS AND POVERTY been published even just a decade sooner than its 1879 appearance, its arguments might have served as the basis for a resurgent classical political economy.

As it turned out, George's attempt to restructure political economy received but scant attention from the scientific community. Academia had already focused on "a new way of thinking about economic problems" set down in two books that appeared in 1871; the first written by an Englishman, William Stanley Jevons; and the second by an Austrian, Carl Menger. Jevons and Menger interjected marginalist concepts into the analysis of markets which, we are told by modern economic writers, "gave to the analysis of political economy a degree of systematization unrivalled by the earlier classical writers" and "in so doing marked the transition from POLITICAL ECONOMY to ECONOMICS." With this self-pronounced advance the heart and soul of political economy were displaced by methodology limited by a reliance on statistical probabilities and mathematical models. All this had occurred before George's work emerged.

Another, perhaps final nail hammered into George's coffin came from the English economist Alfred Marshall. As Robert Hebert writes: "In Marshall's eyes, George ... was insensitive to the long-run implications of economic change ... and did not seem mentally equipped to handle the theory of competitive markets, which was to Marshall the essence of economic analysis." Thus, despite the widespread public responsiveness to George during his lifetime, the methodology of the neoclassicists had already won the future -- a future to be dominated by university-trained technicians. Men of letters, of which George was one of the last

and most thoughtful, were relegated to a status of amateur.

The neoclassicists' attack succeeded, in part, because classical political economy could not account for unemployment under "purely competitive" conditions. The new economists built their discipline on the observation that in the absolute sense all resources are finite and, therefore, scarce. They then concerned themselves with the dynamics of how and why scarce resources are employed. Neoclassicists, then, broke new ground and created an arena into which only a very specialized few could enter. George's late appearance and his concentration on older, philosophically-oriented questions combined to prevent his re-analysis of classical theory from its deserved mainstream examination. Worse still, George made clear his disdain for these professionals and so further alienated them toward the merits of his work.

As a result, the twentieth century has been dominated by debate between neoclassical factions -- a sometimes theoretical, often emotional and always political joust between interventionists and noninterventionists. Those outside the discipline shift from awe over the complexity of the analyses, to contempt for a science so inexact as to be hampered by repetitive error.

What mainstream economists argue over is how to allocate the scarce resources. Do we trust the market mechanisms in a real world dominated by monopolistic competition; or, do we impose

redistributive measures to promote egalitarianism? Absent from the debate is a treatment of what George felt was utmost in importance -- natural law. With not unexpected scorn, George wrote of the professionals: "I only speak of John Stuart Mill as the best example of what has passed as the scientific exposition of political economy," adding with obvious dismay, that the new economists were "so far behind the predecessors at whom they affect to sneer, that they make no attempt even at order and precision" (ironically, essentially the same criticism the economists leveled at George). One side had to be very wrong; and, as George discovered, the penalty for a too vocal attack on the integrity of one's peers is to be excluded from the game. And so, George became a lone voice in the wilderness.

It is therefore a tribute to the power of truth and wisdom that George's influence lingered even though largely ignored by those within the academic community. Time is, however, again against George's goal and our efforts to achieve permanent change. The threat of global disaster increases daily -- there continues the United States-Soviet Union conflict with its potential for nuclear war, the fanaticism of groups who utilize terror as a routine strategy, poverty of such intensity that hundreds of millions of people live at the edge of survival, and a continuing disregard for the earth's ecosystem.

The Georgist prescription for change is evolutionary. We must work to speed the process of evolution, as we never have. Which,

then, is most important: education or political action? The only response is -- BOTH. Each avenue must be pursued by those who have the talent and energy to do either or both. Personally, I am convinced that political economy must be resurrected to compete with economics. Georgist principles must be tested under strict conditions of scientific research. All mainstream policy prescriptions must be thoroughly analyzed, criticized when appropriate and alternatives put forth for debate. Nothing less will end the oscillation of mainstream economic analysis

Of all the challenges to Georgist principles, the greatest has been that of convincing others that private property in the earth violates fundamental human rights; that the solution is to leave private title intact but for society to collect the exchange value of nature via the taxing mechanism. For a very long time now, Georgists have attempted to accomplish this by entering through the back door -- by taking an advocacy position for such measures as "site value taxation." This effort must continue; it is extremely important because of the real world results achieved. We should not, however, be fearful of espousing our principles in a framework of human rights. George looked for and found the key to establishing and maintaining the just society. I am a Georgist because I believe in that goal and in the means George identified.

In terms of impacting the community of economic thinking, the most serious theoretical challenge we face comes from the global

monetary system. The market is nowhere so difficult to analyze as in the impact of the use of money and credit on the production and distribution of wealth. This, too, is an area of great importance to which we must give considerable attention.

There is a price we pay for having gained from George an understanding of how the world works. As a Georgist I have worked hard to change the thinking of others and so bring us a few steps closer toward a peaceful, more just planet. Wherever people can be approached, individually or in groups, is an appropriate arena. Introducing George to our educators and bringing his ideas into mainstream classrooms is an equally important tactic. In the various Henry George Schools we have a network of laboratories that continues to affect the thinking of countless individuals. It is true that the schools do not directly bring about political change; however, I would argue that without the schools there would be no Georgist movement and no political successes upon which to build.

As some of you have learned, I have recently been honored by other Georgists, members of the school's Board of Trustees, by being chosen to succeed Paul Nix, who decided to step down as President of the school after eight years of leadership and service. I take this responsibility and trust very seriously, as I do the work of the school. We are only a few and the responsibility enormous. Your support and assistance are desperately needed. I invite you to contact me if you are able

to contribute time, ideas or financial support to the school and its extensions. Working together is not just a good idea, it is an absolute necessity as we attempt to walk in the footsteps of Henry George.
