

'They could not allow a man like Henry George to be Mayor of New York. It would upset all their arrangements.'

ONE OF the greatest balms to conscience, and one of the supreme sophisms of all time, has been the consoling words of Jesus as reported by St. Matthew: "For the poor you have always with you, ..."

It explains so much and — it justifies so many good works, public and private. It has been the rallying cry that has launched countless parochial charities, funeral societies, soup kitchens, benevolent associations and mutual aid groups beyond description. And of course, government programmes.

At the federal level alone the decade of the Seventies saw 44 major welfare programmes grow two and a half times as fast as Gross National Product and three times as fast as wages. It would be very hard to say we are an uncaring people. But are we misled? Or, worse yet, hoodwinked?

Just analysing poverty can be a confusing exercise. Consider these two items printed less than a week apart:

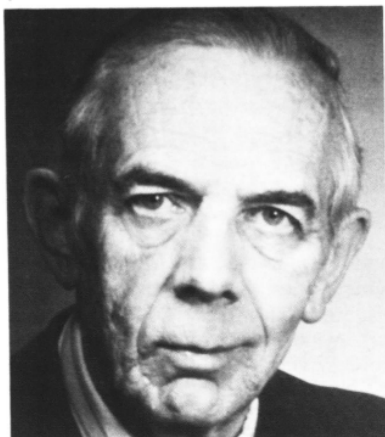
A UPI survey supports the contention that there may be as many as two million homeless people in the United States. In New York City alone five times more people live in shelters than there were in shelters in the Depression year of 1933.

On the frigid night of January 22, the population of [New York] city's shelters reached 6,310 — more than on any night since the Great Depression, when it exceeded 9,000 ...

Disparities like that shake one's confidence in the Information Age! What it points up however is the fragile vulnerability of the poor. To most of us they are invisible ... yet they co-exist like a guardian angel: never seen — always present.

Some estimates place the number of homeless in New York City as high as 40,000. Yet this is the same city where one may find the ultimate in shelter: the new Trump Towers will sell you an exquisite apartment at up to \$10m.

Misled?



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Society's attitude towards poverty is discussed by John M. Kelly

cause of poverty and address that underlying unjust pestilence?

BENEVOLENCE, charity, generosity and love must never be turned aside; but they must be placed in their proper correlative position. None of these is an antonym for poverty.

The Archbishop of New York, The Most Rev. John J. O'Connor, has a personal motto which contains a profound truth that is crucial to this discussion: "There can be no love without justice."

Henry George, the 19th century economist and philosopher, writing in *Social Problems* (1883), said it this way: "Until the eternal justice is perceived, the eternal love must be hidden. As the individual must be just before he can be truly generous, so must human society be based on justice before it can be based on benevolence."

The antonym for Poverty is Wealth, not Charity. Is wealth in short supply? In 1982 in order to make the Forbes 400 richest individuals list, one needed almost \$100m. In 1983 it took \$125m to qualify. Forbes had no trouble going to press with a full complement. This is a conspicuous and possibly unfair example but other equally impressive indicators abound. Rising GNP, wages, retail sales figures, security values, bank deposits, etc., all attest to vast and increasing wealth. The paradox lies in the distribution of the wealth.

What is wealth? We hear the word frequently, but do we understand its

Hand-in-hand with the homeless are the hungry; and again much confusion and not a little hyperbole emerge on this topic.

In August 1983 President Reagan, perplexed by reports of hunger in the nation, appointed a task force to study and report on the question. By January the President's Task Force on Food Assistance while acknowledging that "neither poverty nor the need for food assistance has been eradicated", announced they could find no evidence of "rampant hunger."

Within a month a Harvard-sponsored Citizens Commission on Hunger in a 112-page report declared: "Hunger is widespread and increasing", stating further that "... hunger we saw exists in epidemic proportions."

Who to believe? Does it really matter? In all truth, the main thrust of both these reports centred on the degree and extent of public charity to be applied to ease the distress of the hungry. But when do we seek out the

'No love without justice'

Hoodwinked?

nature and more importantly its origin? Simply put, wealth is "abundance of valuable material possessions or resources". Where does it come from? In a word: production. What are the elements of production? Land, labour and capital, as you may learn from any economic text book.

While capital is an integral modern element of production it is not one in a fundamental sense. Think of the castaway tossed onto the uncharted island. Without the aid of capital he must produce to survive. That production comes down to the application of labour to the land.

Life, Jefferson tells us, is one of the unalienable rights with which the Creator endowed all men. If this be so, it must follow that all men have an equally imperative right to support and sustain that life. It would be a cruel Creator indeed who would give us the first and deny us the second. His plan was proper, man has unjustly altered it.

Spaceship earth seems huge – a giant sphere 8,000 miles in diameter. But its life support zone – the biosphere – is but a thin fragile envelope some 12 miles thick. Even here, 95 per cent of all living things, including man, are restricted to a mere two mile segment.

That crucial element of production land when coupled with labour, offers not only survival but the potential for wealth. But this presumes equal access to the land for all. Unfortunately, historic systems of title, tenure and taxation have developed which work to deny that access to many.

Vast numbers of people are effectively disinherited from the Creator's patrimony. This has resulted in social distortions,



economic injustice, hardship, suffering and poverty. And for too long this has been excused with: "For the poor you have always with you ...".

HENRY GEORGE first came to New York in 1868. It was the principal city of the nation, the population was approaching 1m. Not unlike today, the paradox of great wealth and grinding poverty in the city stood in grim contrast to each other.

Ten thousand tenements overflowed with the poor, whilst at the same time a \$2m white marble palace was being erected at 34th Street and 5th Avenue for the merchant prince Mr. A. T. Stewart.

Great wealth was much in

evidence, yet the deep poverty which accompanied it was reflected in a death rate for the city which was twice that of London. The striking contrast between (as he later labelled it) the House of Have and the House of Want sent George on a life-long inquiry and crusade to unravel the paradox and set forth a solution.

His search and study culminated in 1879 when he published his masterwork, *Progress and Poverty*. George did not lack compassion but as he studied the inequality of distribution he perceived a great injustice, an injustice which if left uncorrected could never be overcome by love and charity.

Justice looms large in all of George's works. His attitude would be mirrored years later by Martin Luther King, Jr., who, in a letter from the Birmingham jail in 1963 said: "Injustice anywhere is a threat to Justice everywhere."

The post-Civil War years brought a great wave of land speculation to the United States, and as George witnessed the growth of fortunes, he also observed the chronic persistence of poverty. Land was obviously the key.

Labour and labour products were being increasingly taxed to provide public revenues while the natural revenues, the rent of land, was going into private landholders' purses instead of supporting the public services for the community which made the land valuable in the first place.

He perceived that the solution lay in taxing the land and untaxing labour and the products of labour. Drawing on Adam Smith, George devoted a chapter of his book to the "Canons of Taxation" and against them he tested his theory.

Tested thus his conclusion was:

The tax upon land values is therefore, the most just and equal of all taxes. It falls only upon those who receive from society a peculiar and valuable benefit, and upon them in proportion to the benefit they

● Turn to p.96

'Most just of all taxes'

● From p.95

receive. It is the taking by the community of that value which is the creation of the community. It is the application of the common property to common uses. When all rent is taken by taxation for the needs of the community then will the equality ordained by nature be attained. No citizen will have an advantage over any other citizen save as is given by his industry, skill and intelligence; and each will obtain what he fairly earns. Then, but not until then, will labor get its full reward, and capital its natural reward.

Progress and Poverty propelled Henry George into world-wide prominence. His arguments did not sit well in all quarters, but no opposition would dissuade him. He would argue his cause with everyone from a Tammany Hall politician to the Holy See.

In 1887 he joined forces with his friend Father Edward McGlynn, Pastor of St. Stephen's Church, in New York, to form the Anti-Poverty society. At the society's public meeting on May 8 he delivered the address titled: "Thou Shalt Not Steal".

At the time, just as today, many persons were unemployed. The conventional wisdom, then as now, attributed the unemployment to over-production. George scoffed at this, pointing out that there had never been such an abundance of wealth nor such power to produce wealth. Continuing, he said:

So marked is this that the very people who tell us that we cannot abolish poverty, attribute it in almost the next breath to over-production. They virtually tell us it is because mankind produces so much wealth that so many are poor ... Poverty attributed to over-production; Poverty in the midst of wealth; Poverty in the midst of enlightenment; ... There is manifestly no good reason for its existence, and it is time that we should do something to abolish it.

Well, he had tried to do something to abolish poverty and would continue right up to his untimely death in 1897. In 1886 Henry George competed with Theodore Roosevelt, the Republican candidate and Abram S. Hewitt the Democratic candidate for the office of Mayor of New York. Hewitt, the Tammany Hall candidate was proclaimed the winner. George ran second.

After George's death, Richard Croker, Boss Tweed's successor as leader of Tammany Hall, admitted that the ballot count had been manipulated. By way of explanation

The silence deafens

he said: "Of course, they could not allow a man like Henry George to be Mayor of New York. It would upset all their arrangements."

AND SO it has gone for over a century. Through the period, George's conclusions have drawn the support of countless official studies as well as the endorsements of economists, philosophers, government officials, and other thinking persons. Collectively these endorsements would fill row upon row of files, yet we still await the official adoption of the plan that would embrace the economics of Henry George.

*'Do we want to
do good, or are
we content with
the great excuse?'*

To describe the hundred odd years since Henry George and Father McGlynn battled the House of Have it is very easy to characterize it as a Century of Silence! In the nine months following May 1983, the *New York Times* has editorially called for a modified land value tax on six different occasions. The response from City Hall and Albany? Deafening silence.

In 1978 Harper Colophon Books published a unique book by John A. Garraty titled *Unemployment in History*. Professor Garraty makes a provocative statement concerning George: "But, despite his argument that his reform would injure no class and cause no social disruption, no government dared to enact the single

tax." Perhaps it would "upset all their arrangements?"

Isn't it curious? A land value tax conforms more closely to the Canons of Taxation than any other tax.

It is socially desirable, fiscally sound and morally right, yet we seem to wait in vain for the authorities to discover, or rediscover it.

Long before George, even before the Constitution, the Articles of Confederation provided that the expenses of the young nation "shall be provided out of a common treasury, which shall be supplied by the several States, in proportion to the value of all land within each State. ..."

No such language is found in the Constitution. One is tempted to speculate that when Hamilton and his colleagues gathered in New York in 1787 they perhaps abandoned this financing device because it "upset all their arrangements."

In Hamilton's time the unexploited western frontier seemed endless. There was land and opportunity for all; and indeed the truly indigent were a rare phenomenon in the early days of the Republic. Of course it became a much different story after the lands were taken up.

The bottom line is simply this: Do we fight poverty with charity or justice? Do we continue to excuse things by quoting St. Matthew?

Now, I have never been certain if Matthew was a careless reporter, or if, because of his earlier profession (Publican, i.e. — tax collector) he was reluctant to upset all the arrangements. I say this because there is another version of those words of our Lord:

For the poor you have always with you, and whenever you want you can do good to them; but you do not always have me.

St. Mark 14, 7

Do we want to do good, or are we content with the great excuse?