

# International Social Philosophy Conference

## —A Georgist Sums Up

Yisroel Pensack

*The following excerpts are from a paper presented by Mr. Pensack at the end of the International Association for Philosophy of Law and Social Philosophy's conference held in San Diego in March of this year. In his paper, Mr. Pensack responds to the papers of other presenters, offering a Georgist perspective. Mr. Pensack is founder and president of the Alliance to Raise Wages and End Poverty and a faculty member of the Henry George School of San Francisco. We thank Robin Robertson for calling this paper to our attention.*

Several principal papers submitted for consideration by this conference share a common characteristic: their analytical framework is incomplete because it lacks an explicit recognition of the question of society's treatment of rights to land.

As the great American economist and social philosopher Henry George (John Dewey rated him among the five greatest social thinkers of all time) points out in his masterwork "Progress and Poverty" (1879): "It is not in the relations of capital and labor; it is not in the pressure of population against subsistence, that an explanation of the unequal development of our civilization is to be found. The great cause of inequality in the distribution of wealth is inequality in the ownership of land. The ownership of land is the great fundamental fact which ultimately determines the social, the political, and consequently the intellectual and moral condition of a people...Material progress cannot rid us of our dependence upon land; it can but add to the power of producing wealth from land; and hence, when land is monopolized, it might go on to infinity without increasing wages or improving the condition of those have but their labor. It can but add to the value of land and the power which its possession gives. Everywhere, in all times, among all peoples, the possession of land is the base of aristocracy, the foundation of great fortunes, the source of power." (pp. 295-6.)

This truth is the missing link in many papers prepared for this conference, and the failure to take it into account confounds learned

professors as well as ordinary citizens in their attempts to arrive at what is true and good.

Lest some object that today's high-tech world is somehow fundamentally different than the world of 1879, I call attention to an Associated Press item published on the front page of the business section of the San Francisco Examiner on February 1, 2000, reporting that a California "technology entrepreneur" has become "a millionaire three times over" by auctioning off an internet domain site name for \$3 million. The "entrepreneur" had registered the domain name, Loans.com, "for free in 1994." The article also reports the same entrepreneur "also registered Houses.com, Lawoffices.com, Artists.com and Romance.com, all of which he still owns." This is land speculation in cyberspace.

Failure to recognize and take into account massive economic privilege upheld by force of law, in particular landlordism or private property in land, is the missing ingredient in many of this conferences' papers. This comes as no surprise, because most of us are conditioned from birth to revere and uphold large-scale economic "getting" without reciprocal "giving" of labor products or rendering service in return. This mind-set did not develop by accident.

Professor Emily R. Gill, in her paper on "Autonomy, Diversity, and the Right to Culture," points out that "Freedom is...grounded on [a land metaphor] the liberty to leave associations, which also implies freedom to form new associations." Henry George points out in "Progress and Poverty" that "association in equality" is indeed the social condition which fosters human progress. Social and political freedom, however, are mere empty forms in the absence of true economic freedom, which necessarily involves equality of rights to land. To achieve this equality and thereby raise wages by throwing open natural opportunities to labor and capital, George proposed abolishing all taxes save that upon land values, an idea which eventually came to be known as the Single Tax.

Both Leo Tolstoy in Czarist Russia and Sun Yat-sen of China, among other great thinkers, strongly advocated Georgist eco-

nomie reform in their countries, as did a young Winston Churchill in England.

In "Exporting Mental Models: Global Capitalism in the Twenty-First Century," Professor Patricia H. Werhane focuses on issues of con-

***Failure to recognize and take into account massive economic privilege upheld by force of law, in particular landlordism or private property in land, is the missing ingredient in many of this conferences' papers.***

cern to contemporary Georgists: "environmental sustainability, international trade [Henry George was a staunch free-trader but he understood that in the absence of heavy land-value taxation, free trade will ultimately benefit only landlords and other privilege holders—see his *Protection or Free Trade* (1886)], exploitation, corruption, unemployment, poverty, technology transfer, cultural diversity."

Professor Werhane then asserts: "There is a mental model of free enterprise, a model primarily created in the United States, that is being exported, albeit unconsciously, as industrialized nations expand commerce through the globalization of capitalism." I do not presently wish to affirm or deny the truth of this statement, but rather to call attention to the catchwords "free enterprise" and "capitalism" which recur throughout many conference papers and which are rarely carefully defined, if defined at all. These terms themselves obscure the underlying truth that our so-called western, free enterprise, capitalist system itself is a system superimposed and based upon the land tenure system and land laws of the Roman Empire and feudal Europe.

How many legal scholars, be they Amintaphil members or not, know that an attorney is, etymologically, according to Webster's, one who notifies or persuades others to agree to become tenants to a new owner or landlord of the same property—in other words, the attorney prods them to recognize a new landlord as the legal "owner" of the land, and, by implication, to pay rent to the new landlord rather than the old. The rather fantastic but nowadays generally unquestioned and unchallenged notion that a person can actually "own" land to the exclusion of the

*continued on p. 8*

equal rights of others comes to us courtesy of the Caesars.

To understand how the notion of private property in land became entrenched, indeed enthroned, in contemporary economics, one must understand that modern "economics" was designed and intended to supplant the "political economy" of Adam Smith, David Ricardo and John Stuart Mill ("Landlords grow rich in their sleep." -- Mill), the principal propounders of so-called classical political economy, which culminated in the establishment-threatening writings of Henry George.

This submerged aspect of intellectual history is discussed at length in the essay "Neo-classical Economics as a Stratagem against Henry George" by Mason Gaffney, professor of economics at U.C. Riverside, published in "The Corruption of Economics" (1994). Gaffney focuses there on the role of academic economists in suppressing the teachings of Henry George, but he elsewhere discusses the equally important role of the Roman Catholic Church

I find Professor Werhane's seeming sentimental attachments to serfdom and rack-rent sharecropping highly disturbing. She says: "For example, land reform and the redistribution of property [in land], apparently worthwhile projects to free tenant farmers from feudal bonds, will only be successful if the new landholders have means to function as economically viable farmers and in ways that do not threaten age-old traditions. As the Philippines example demonstrates, the fragile distributive system in the feudal community cannot be dismantled merely for the sake of independence and private ownership without harming complex communal relationships that maintained this system for centuries." The same could be said in opposition to the Exodus of the ancient Hebrews from bondage in Egypt and their settlement in the Promised Land.

In his paper "Law and Market Economy," Professor Robin Malloy cites a 1996 study by the Fraser Institute which concludes that countries which give more freedom to individuals to trade, exchange and interact; provide more protection for property, contract, and civil rights; and, provide ready and fair access to the sys-

tem of justice are wealthier than other countries. The term "protection for property" and the word "property" in particular are not defined, at least not in Malloy's paper. Before the Civil War, the South and the United States as a whole gave great "protection for property" in the form of slaves. Was this a good thing

*Henry George proves beyond refutation that all people are born with equal rights to the use of the earth. This is the fundamental economic birthright of every human being.*

morally, economically or otherwise? And if so, for whom? What about private property in land -- is it a good thing morally, economically or otherwise?

Malloy focuses on creativity as desirable for society. "Creativity is facilitated by an environment that encourages challenges to convention. Such an environment needs to be open, tolerant, diverse, and flexible. Such an environment requires an ethic of social responsibility based on three general characteristics; humility, diversity, and reciprocity." Private property in land is clearly a social institution that undermines reciprocity and makes reciprocity impossible. Landholders, as landholders, only take in the form of rent and land sales prices and give nothing in return [unless one wishes to call granting permission to use land and to produce on it a "giving"]. It is only by fully taxing land values up to their full annual potential ground rent that the relationship between landholders and the rest of society can be made truly reciprocal.

In "Human Needs and Economic Justice" Dr. Anja Matwijkiw argues that "It should

be...uncontroversial and unproblematic... to say that...fundamental economical and social rights, viz., basic human need-rights are real; that these exist, in the first instance, as moral rights; and that they, because of the importance of the interests involved, ought to be made legal claim-rights.

"Nevertheless, many theorists oppose this, proposing procedures that not only favor civil/political rights over basic human need-rights, but also engage in unfair discrimination at the level where rights are conferred and, through that fact, make even minimal global justice impossible. The cruel and cynical point is that redistribution of economic goods never becomes an issue because rights are withheld from those who, in one sense, most need them."

Again we see the confusion that arises when good intentions overlap blindness to the issue of rights to land versus ostensible "rights" to particular man-made goods (properly called wealth in political economy) and services.

Henry George proves beyond refutation that all people are born with equal rights to the use of the earth. This is the fundamental economic birthright of every human being. This right necessarily implies equal rights to the value of land and its annual ground rent (including the value of the electromagnetic spectrum reflected in the value of broadcasting rights). This fund is the naturally intended, true source of public revenue. The value of land grows with the growth of civilization, while the cost and value of man-made wealth declines with progress.



**Henry George School of Social Science**  
**121 East 30th Street**  
**New York, NY 10016**

*Address correction requested*

Non-profit Org.  
 U.S. Postage  
 PAID  
 Permit No. 7759

DAN KRYSTON  
 6 RENFREW RD  
 SPRING VALLEY, NY 10977