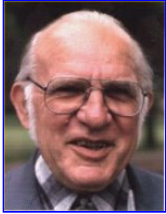


## Henry George: Progress and Poverty

By Wim Sweers

### Georgianism and the sustainable society

I have been approached from several sides, including from my own Georgian circle, to indicate where Dutch Georgism stands in the current era, in particular with regard to what is called: "sustainable development". Where is the Grondvest foundation located as a small remnant of 100 years of Dutch Georgism? Is Georgism dead in the Netherlands after the dissolution of the Georgian party "Recht en Vrijheid" during World War II, and after the dissolution of the Geogist association Recht en Vrijheid in 1992, more than 100 years after the start of the movement?



A hundred years ago

The year 1891 was an important year for the Christian social movement. Worried by the social consequences of technical progress and new methods of production, the accumulation of capital in the hands of a relatively few, and the impoverishment of the masses accompanied by moral decay, Pope Leo from his encyclical [Rerum Novarum](#). Fearful of the emerging socialism with its attacks on private ownership of the means of production, the Pope defends private ownership of all means of production, including land, with an appeal to natural law.

The American social reformer, Henry George (1839-1897), economist with a clear ethical background and devout Christian and also a supporter of private property, finds the Pope's defense unqualified and, in a long open letter to the Pope, disputes the legality of private property, land ownership also with an appeal to natural law. With the rise of socialism, land reform movements started all over the world at the end of the nineteenth century. For example, in the Netherlands the Union for Land Nationalization with the 'Grondparty' of the Georgian J. Stoffel, who also translated 'The condition of labour' and gave impetus to what can be called 'Dutch Georgism'. Wim Sweers makes a selection of matters on which statements are made in the encyclical Rerum Novarum, as well as from '[The question of labor](#)', the letter to the Pope and the commentary by the Dutch geogist J. Stoffel.

The publication of '[Die Reformation in Münzwesen als Druck zum sozialen Staat](#)' by Silvio Gesell in 1991 laid the foundation for a movement that approaches the social issue of the accumulation of property among the few and the impoverishment of the masses from the role of finance. One cannot escape the impression that money is playing an increasingly dominant role in the waste economy, which depletes nature and the environment and thus constitutes an obstacle to a viable future. Willem Hoogendijk, policy officer at the Environmental Education Foundation and project leader Modern Economy (Promodeco), discusses the role of money in more detail in '[The driver of the growth economy](#)'. In '[Small people and their movement](#)', Jelle Loosman, trade union director CNV, discusses the history of the Christian social movement and the movement of Christian workers that led to the founding of the CNV in 1909.

After a hundred years

Autumn 1991 is entirely devoted to Christian social commemoration, reflection and movement in the Netherlands. The [Dutch Georgian movement](#) participates in this and wants to provide discussion material with this Fundamental Issue that can lead to a better understanding of ethical-economic actions, responsible dealing with nature that we have not created but have been given to care for, preserve and pass on to those who after our lives. '[Fundamental law and the environment](#)', previously published in the Constitution Bulletin, can serve as a provisional concept for the design of a sustainable economy. Shortly before his death, Prof. Hannes de Graaf wrote '[The ethical background of Henry George's thinking](#)', intended for the collection 'Collecting fundamental rights for the environment and basic income.' This piece has been reproduced in its entirety.

The trend is that people can no longer talk about 'ism'. You will no longer be seen as complete if you confess to adhering to a certain 'ism'. Marxism, communism, socialism and world-ruling capitalism are contaminated concepts. Proponents of and leading rulers of capitalism circumvent the concept with euphemistic meaningless slogans such as 'free enterprise', 'free market', 'free world' and 'free people', implying that the exploiting rulers are benefactors and freedom heroes. Those in power have succeeded in murdering the ideals of Libert , Egalit , Fraternit  (loosely translated into liberalism, socialism and altruism) with misleading slogans such as 'enlightened self-interest', 'strategic interest', 'national interest', 'European interest', 'freedom' world' etc.

They also managed to convert authentic human needs of freedom, equality and brotherhood into their opposite, allowing very evil dark 'isms' to develop: Nihilism, Cynicism and Egoism. Moreover, these isms may not be mentioned by name and are therefore referred to with meaningless slogans of 'no nonsense politics', 'calculating citizen', etc., all interspersed with 'financial pictures' and 'talk'. cries from capitalist backgrounds contribute little to what we so desperately want, a sustainable society, locally, nationally and globally, needs little argument.

It will be clear that this short run-down on 'isms' is intended to remove all euphemistic catchphrases from our thinking about sustainable development. Furthermore, we will need to have some agreement on the concepts of 'sustainability' and 'development'. If we define sustainable as 'without foreseeable end', then everyone will interpret 'sustainable' in accordance with what their understanding of 'endless' can contain. I'm completely wrong about 'development'. What is development? Want to create something that isn't there yet? Finish something that exists in design? Is it improvement of the human mind? Improvement at what cost? What resources do we use for our development? Do we want to develop? Do we know our undeveloped 'areas'? In my opinion, the demand for 'sustainable development' should be turned into:

### developing sustainability

Try to make what is well developed sustainable and undo the wrong developments that damage the whole. Subsequently, the various ideologies (isms), which all contain a bit of the truth (but also a lot of untruth), should be mentioned by name again, without obscuring euphemistic cries of undefined or unknown economism.

All true 'isms' contained cores of desire for sustainability but fell into disrepute because they were unable to enter into dialogue with each other. Own goals were pursued and often achieved at the expense of the goals of others. As already indicated in the title of this story, I subscribe to Georgism and would like to discuss other isms that also opt for the development of the sustainability of the good of the earth, the basis of our existence.

#### • What is Georgism?

Georgism is a socio-economic school that gained support in the English-speaking region in the second half of the 19th century. The founder of Georgism, Henry George (1830-1897), American economist, publicist and politician, noted that as the economy grew, poverty also grew. He discovered that the institution of private land ownership (land to be understood as all unprocessed forces of nature) is the driving force behind the fragmenting, anti-holistic economy, which increasingly damages 'the whole', namely nature and society, and only (short-term) benefits a few powerful owners.

In his greatest work, "Progress and Poverty" 1879 (Dutch trans. and edit. "Progress and Poverty" 1938) he tries to unravel that paradox and does so through a very thorough study of the most fundamental economic laws. That reminds us that the two most fundamental economic factors are: work and land, or labor and natural resources. They are the only two conditions necessary to satisfy any need of any human being. All those other economic factors, the many forms of money and capital goods, are an outgrowth of human creativity, but not a condition for life.

#### • Dutch Georgism

The Dutch Association for Land Nationalization, the 'Land Party' of J. Stoffel, was founded around 1887. The League for Land Nationalization published a magazine, 'The Land to All. In his introduction to the first episode, Stoffel wrote: "We aim to introduce the principle into our country, among all people, whatever class they may belong to, whatever creed they may call theirs, that the earth has been given to all men as a dwelling place and as a field of work, they all have an equal right thereto." With the arrival of the 'Ground Party', a Georgian bridgehead was formed in the Netherlands. According to art. 2 of the statutes, the 'Ground Party' took the position:

- that every human being, by the fact of his birth, has an inalienable right to life, to liberty and the independent pursuit of happiness;
- that every child has the right to an education in the family to which he/she belongs, which enables him or her to later exercise this right to life;
- that the earth, just like the air, light and water, must be at the service of the entire community and therefore not be withdrawn from the community by a few
- that the economic imbalances in our society, with their devastating consequences in all directions, for personal, family and social life, are caused by the land monopoly, which has placed the indispensable living conditions for all in the hands of a few.

Stoffel was particularly pleased with Henry George's criticism of the encyclical Rerum Novarum 1891. He provided the Dutch translation of George's open letter to the Pope, 'The Question of Labor', which appeared in February 1892. Stoffel, a great admirer of George, did not agree with George on all points, especially George's view on capital interest and George's single-tax strategy. In the postscript to Stoffel's translation of Henry George's letter to the Pope, the Dutch Geogist appears to want to follow different strategies than the founder Henry George. Stoffel turned out to have an even more eye for the whole than 'the prophet of San Francisco'.

#### • The future

About the future, Stoffel wrote in 1892: "Are there no signs that it is quite possible that the gigantic factories of our time will again belong to the past and will once again make way for small entrepreneurs, who the community rents land, capital and motive power, enabling them to produce products at lower costs than large factories? Just think of the latest application of electricity, the force of nature that can be generated by flowing rivers, waterfalls and ebb and flow of the sea and which can now be transmitted, preserved and distributed miles away. When the community makes the force of nature its own, it can supply to the workers the necessary power for their industry, in their own workshop and enabling them in many cases to produce their own commodities, or when more division of labor is necessary, to do so in association with others.

When the forces of nature are no longer in the power of capitalists, then the trusts, the rings, the corners, the syndicates, the draining power of capital are over, and then the trade unions are over too, because then there will no longer be capitalists against whom they have to fight. Could it also be possible that the conclusion drawn by social democracy from the existence of the tendency towards concentration in our unnatural society (based on the private property right of the condition for all work, for all life) is that this concentration is a law of nature that loses its meaning as soon as that private property right to land and natural forces is destroyed?

In any case, I think I can say that this conclusion is premature, that we must first of all try to ensure the equal right for all to the gifts of nature, before we can judge which direction is preferable, the individualism or socialism. I believe that civilization in its progress first abolished slavery and serfdom, then, through the French Revolution, put an end to the tyranny of princes and privileged estates, by investing the people with

sovereign power and in principle at least, to give equal political rights to all men, and that the time has now come when it will destroy the tyranny of the capitalist by withdrawing the earth from his grasp and thereby preventing him from appropriating the product of labor of another to appropriate".

All this with the original VOC mentality

So much for J. Stoffel, February 1892. The same story could have been written a century later on the 1995 news story.

- **Battle of opinions**

Opinions often clashed within the Georgist movement as well. During the elections in 1925, two movements emerged, on the one hand the Amsterdam direction of Prof. Frans Oppenheimer, who advocated the adapted strategy of Stoffel and the League for Land Nationalization with equal treatment of both land and money and goods capitalists, but on the other hand the more fundamentalist Frisian /Groningen movement that advocated Henry George's single tax.

- **New party with a short life**

In 1931 a new party was founded, 'Recht en Vrijheid', with the following political programme:

- 1) "The rental value of the bare land in the community's treasury".
- 2) "Abolition of all taxes".

On this program Kolthek was elected to the municipal council in Groningen and also to the Provincial Council. The party published a weekly magazine, 'Recht en Vrijheid', edited by Harm Kolthek. It was widely distributed during elections in the city of Groningen. The result was that the party entered the municipal council in 1935 with a 5-strong faction. Kolthek died in 1946, 'Recht en Vrijheid' as a party ceased to exist and continued as an association 'Recht en Vrijheid'.

- **Foundation**

In 1971, the 'Grondvest Foundation' was created by Recht en Vrijheid to spread the ideas of the Georgian movement and to investigate the possibilities of "founding human society legally and economically on the fundamentally equal right of all members of society," on the natural ground" (art.3 statutes)

During its 20 years of existence, the foundation has put a lot of energy into answering the question posed by the client (in article 4, paragraph 1, sub c of the articles of association): "how can the rights of the members of human society to the natural resources be optimally accomplished?" The question of the right strategy. The client had already answered this question after the battle of opinions with the Land Party about the single tax. The foundation was left with nothing else to do than translate Henry George's single tax for the Netherlands and package it in a form that would be politically feasible.

The translation became 'collect land rights', and the packaging became 'issue land' on leasehold against a ground rent to be determined periodically according to its economic value. And convert property tax in the sense that tax is only levied on the land portion of the property and exclusively on the owner. This strategy has not been very successful. Moreover, the strategy to be followed increasingly became a bone of contention between the old parent organization R&V and the Foundation Grondvest, which is always up to date. The aging of the association and the lack of an influx of young people led the association to the conclusion that the coexistence of 'Right and Freedom' and 'Foundation' no longer had any constructive meaning for the Dutch Georgist Movement, reason for the Georgian scepter in March 1993. to transfer to Grondvest and to dissolve itself.

- **Environmental problems**

Meanwhile, a new dimension had been observed in the phenomenon of 'economic progress'. In addition to the 'social poverty' dimension, the 'ecological poverty' dimension appeared. This prompted the Dutch georgists and scientists JG Backhaus and JJ Krabbe to examine Henry George's original theory for its ability to solve contemporary environmental economic issues, and then to conclude: "George's vision of production can be seen as an early form of ecologically oriented economics".

This is reason enough for Grondvest to return to the founder of Dutch Georgism, J. Stoffel, in order to test his insights for their value in reducing the socio-economic and ecological problems of the 1990s. This creates a new description of the Fundamental Objective for the 1990s: achieving a holistic economy:

#### NATURAL ECONOMY or ORGANISTIC GROWTH ECONOMY

a new economic system of its own

- is environmentally friendly and sustainable, people-friendly and fair,
- aggression-reducing and cooperative, socially productive and culture-creating; sent by a

#### SIMPLE and EFFECTIVE SYSTEM of GOVERNMENT FINANCE:

- no levy, tax and premium withholding on the results of the business, wages, salaries, products, houses, buildings, etc.
- collect LAND RIGHTS, collect user rights for land and raw materials, energy, water, air, etc., supplemented if necessary with a selective tax on environmentally damaging consumer expenditure
- an income-independent PERSONAL BASIC INCOME at such a level that it:
  - replaces the labour-intensive system of social services
  - turns the 'benefit economy' into a 'work economy'.

#### Grondvest's economic paradigm is:

All human society creates the economic value of land and raw materials. Therefore, use must only be paid for by all members of the community. This replaces the need for taxation and is the basis for a general basic income. Then all people will receive their rightful share of the gifts of nature, their first human right.

The elderly Dutch Georgist association has ceased to exist. But the Georgist practice was born. Across all political and social movements, there is a growing realization that nature, land and raw materials have become a very scarce resource and that a high price must be asked and paid for their use.

Economics: science of scarcity:

Economics: science of efficiency:

Economists and politicians of the twentieth century and of the year 2000, for the benefit of everyone and everything that lives and grows, we ask you:

## SAVE THE EARTH'S VALUE

For more information:

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- Social Database of the Netherlands
- Homepage with environmental topics
- Henry George Homepages on the web
- Henry George, 1839-1897: The prophet of San Francisco
- Edward Bellamy was a more philosophical seer
- Wim Sweers on Georgism, in response to Pauline van de Ven's column

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