

## Henry George

(\* 1839 Philadelphia † 1897 New York)

When Henry George spoke about poverty, he knew what he was talking about. Most of his life he had spent in poverty himself as a badly paid sailor or a printer's assistant, before he became the most successful economist of his age. In 1879 George - an economic autodidact - published his book "Progress and Poverty", which became an instant best-seller and was translated into almost every language. More so, the book triggered off social reform movements ("Georgists") all around the globe.

The central idea of the book was, that all kinds of taxation tend to stifle growth and hurt the interests of the poor. A high income tax, for instance, would produce unemployment. Only a land tax, therefore, should be collected as the "single tax". Property in Land, George argued in the spirit of Ricardian economics, was no "normal" property. Land was limited in quantity, it created an undeserved rent, it made landowners exploit all others, and it led to monopoly. In short, it was the true cause of all existing poverty and therefore had to be taxed vigorously.

Although an ardent social reformer, George had very little in common with the socialists and Marxists of the day. He staunchly believed that free markets were the best way to elevate the masses from poverty. His liberal principles became apparent in his spirited defence of free trade "Protection or Free-Trade" (1886). He rather thought, that it would free the market from artificial shackles



and monopoly if such a "single tax" was introduced. A land tax, he thought, was

"neutral" or even beneficial to the market. Many economists today are sceptical about this idea. A high tax on unimproved land may well distort the allocation of land in a country – although it certainly is less distorting than most alternative taxes. However, what made George such an important liberal thinker, was his sincere quest for a social reform that could be reconciled with the imperatives of laissez faire and liberalism. This set him apart from many later social reformers (liberal only by name) who were willing to sacrifice freedom on the altar of the interventionist welfare state.

### Literature:

All of Henry George's major works can be ordered at the following homepage which also contains a lot of valuable information on him: [www.schalkenbach.org](http://www.schalkenbach.org)

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