

Public Talks

Henry George, an American Physiocrat

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Henry George, in the preface of his unfinished last work wrote, “In *Progress and Poverty* I recast political economy in what were at the time the points which most needed recasting.” This statement indicates the purpose that could be fulfilled by this conference (1).

The points which most needed recasting a century ago may not be the same points that need recasting at this time, and the same analytical tools suitable for making clear a simple truth in the closing decades of the nineteenth century may be instruments of confusion a hundred years later.

A centenary draws strength from the event it commemorates but it takes place in the present and its concern is now. A work that can impel an international conference held in the city where it was first published one hundred years ago has already an assured place in history; neither the work nor its author is to be enhanced by a merely panegyric centenary.

This paper considers to what extent the sense and meaning of *Progress and Poverty* is being obscured by the continued use of nineteenth century terminology and methods of analysis in the public debates of today.

An American of his time

To present *Progress and Poverty* as the late flowering in a new country of Anglo-Saxon classical economics is to obscure the underlying purpose of the work. It is an even more violent misrepresentation to classify *Progress and Poverty* as a variation on the socialist theme, although, quite wrongly, historians often include Henry George amongst the nineteenth century socialists.

If Henry George is to be given the due his work merits then his ideas must be seen in the historical context related to the time and place in which they were formulated. The time was the 1860s and 70s; the place was the far west of the North American continent.

As far as communication was concerned the California of those days was further removed from the great established centres of learning than is the moon from the planet earth today.

As a true American of the pioneering age Henry George used to advantage such tools as were available to him. By an accident of history the available tools in his endeavours to make clear an observed simple truth were the works of Anglo-Saxon classical writers. It would seem he was not acquainted with much relevant work that had been done on the continent of Europe (2).

Yet, *Progress and Poverty* only appears to be a work in the tradition of classical economics, and this is to be expected; for at the time of its writing, Ricardian economics was the established economics, with an ascendancy more complete than that achieved by the Keynesian revolution of the mid-twentieth century.

Accidents of time, place and language did much to mould the terminology, method and style of Henry George, but these outward appearances do not place him, or his work, within the economic tradition of Ricardo; he was not blind to the imperfections of Smith, Malthus, Ricardo or Mill, any more than he was blind to the errors of socialism (3). If *Progress and Poverty* had been written during the 1970s for publication in 1979, not 1879, then, no doubt, being a man of his time, Henry George would have used the theories of Keynes to the same good purpose as a century earlier he used Ricardo's 'law of rent'. At least, Keynes looked forward to the 'euthanasia of the rentier' (4), a sentiment with which Henry George would have had much sympathy.

A nineteenth-century Physiocrat

A full appreciation of *Progress and Poverty* requires the work to be viewed as an independent resurgence in the nineteenth century

of the French Physiocratic School. Although Henry George tells us that he had been proceeding with his inquiry for some time before hearing of the Physiocrats by way of a chance conversation (5).

Nevertheless, he shares with them a common direction. With the Physiocrats he conceives of a natural order, and perceives political economy to be a science based on fundamental natural law as immutable as any discovered by the physical sciences.

This natural order is essentially different from the ‘invisible hand’ described by Adam Smith, and from which the Anglo-Saxon writers in the tradition of classical economics derived many of their basic notions. For Adam Smith ‘the wisdom of nature’, albeit invisible, was to be relied upon to remedy ‘many of the bad effects of the folly and injustices of man’ (6), but for Henry George, in the Physiocratic tradition, the fundamental laws of the natural order are to be observed, understood and obeyed.

An understanding of the natural order creates an opportunity for the exercise of choice, resulting in either discord or harmony, and in this exercise the polity has a vital part to play. Government ceases to be an idle bystander to the ‘folly and injustices of man’.

Equally there is no place for totalitarian regimes imposing their will by force, or the threat of force, over every detail of human life. Rather, in the natural order, the role of government may be considered as analogous to the good farmer who, observing the fundamental natural laws, cultivates with a sureness of touch the conditions conducive to harmony and fruitfulness.

Since, in the natural order, government has both a place and duties to perform then, perforce, the natural laws of distribution will provide for a public income sufficient to meet the necessary expenses of government. In feeling his way towards what is true public income Henry George happened upon Ricardo’s law of rent. He used it to serve the same purpose for which the Physiocrats in the previous century had defined, unknown to George, the concept of the ‘net product’ – the Physiocrats described the source of true public income as the net product, and Henry George called it rent.

Difference of terminology and definition do not deny, although they may obscure, this essential agreement of sense and direction between Henry George and the French Physiocrats.

Confusion of the concept of rent

In *Progress and Poverty* Henry George wrote, 'Fortunately, as to the law of rent there is no necessity for discussion. Authority here coincides with common sense, and the accepted dictum of current political economy has the self-evident character of a geometric axiom.' (7).

Today he would hold a different view and perhaps consider this part of current theory as one which 'most needed recasting.' With the passing of a hundred years there remains no 'accepted dictum of current political economy.'

In the economic theory of today, Ricardo's law of rent has been relegated to little more than an historical footnote, and the various concepts of rent and rental factors that replace it extend far beyond the definitions of classical theory.

The extension of the doctrine of rent by succeeding theorists has followed a logical progression from Ricardo's formulation.

Rent, argued Ricardo, is the payment a tenant makes to his landlord for the use of 'the original and indestructible powers of the soil' (8). If Ricardo's definition is accepted then it follows, as this power of the soil is both original and indestructible, it is also a factor of production in fixed supply.

However, argue some modern theorists, whether or not a factor of production is in fixed supply is not an attribute of a particular factor of production in any conditions, but is determined for any factor of production by the specified conditions. For example, it is dependent upon the period of time and the size of the market under consideration. From this progression modern theory concludes that the rent of Ricardo is not a special kind of income but a particular example of a large class of income that is yielded by any factor of production which is, in the specified conditions, in fixed supply.

In conformity with the above conclusion the appearance of rent is often explained in terms of the established theory of supply and demand, as illustrated on Figure (i) (9).

The demand curve is shown as sloping downwards to the right as it is assumed that demand for the factor of production will vary inversely with the price. The supply curve is shown as a vertical straight line as the factor is assumed to be in fixed, or perfectly inelastic, supply, and therefore the quantity supplied is independent of the price. The market price of the factor tends towards the point of equilibrium determined by the intersection of the supply and the demand curves, and the shaded area on Figure (i) is considered to be the measure of rent.

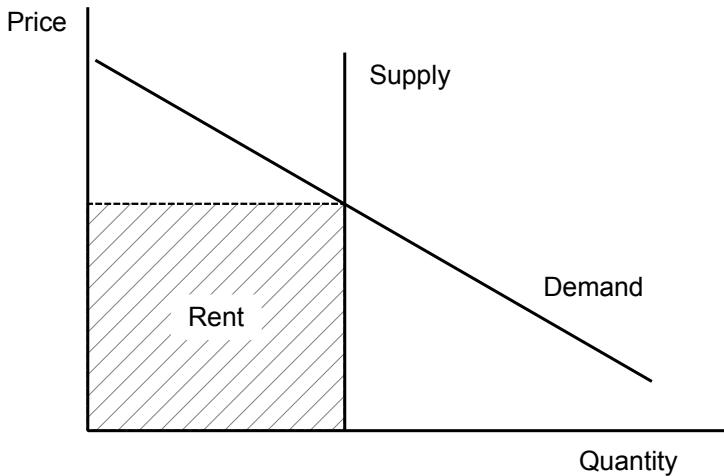


Figure (i): The measure of rent

Thus, it is argued, the rent yielded by any factor of production in fixed supply is determined wholly by the strength of demand, and the strength of demand is in turn completely dependent on the market price of the products of any particular factor of production in fixed supply.

The simple explanation of rent, illustrated on Figure (i), is held by others to apply only in the special case where the particular factor of production in fixed supply has no alternative uses. In general, it is argued, factors of production do have alternative uses, and it is therefore considered necessary to distinguish between a factor's transfer earning and its economic rent (10).

A factor's transfer earning is defined as the amount it must earn in its present use to prevent it being transferred to an alternative use, and the term economic rent is limited to the excess actually earned over this amount. It is admitted that usually this distinction between transfer earnings and economic rent cannot be made in practice, although it is argued also that the amount of a factor's transfer earnings is of great practical importance, for it enters into the price of the factor's products. Part, or even the whole, of the shaded area shown on Figure (i) will be described, in the general case, as transfer earnings and not as economic rent.

Private monopoly

Other theoretical developments from Ricardo lay emphasis on the monopoly aspect of what he calls rent. To define rent as being the payment a tenant makes to his landlord is to assert that rent arises from a particular human relationship – that of landlord and tenant.

A landlord is one who enjoys an exclusive property right, or a monopoly power, over land; and so, it is argued, this monopoly power enables a landlord to demand the payment of a rent for the use of the 'original and indestructible powers of the soil'.

In general, it is concluded, rent is a property income received by those in a position to exercise monopoly power over any factor of production in fixed supply. Given this conclusion, the rent of Ricardo is seen as but one example of a large class of incomes for long recognised as an especially suitable subject for taxation.

Two hundred years ago Adam Smith observed the owner of a ground rent 'acts always as a monopolist, and exacts the greatest rent that can be got for the use of his ground' (11).

Consequently, he maintained, a properly assessed tax upon the rent of land could not be shifted by landlords and would lead to a diminution of landlord's income rather than to an increase in rents paid by tenants. This peculiarity of tax incidence is now accepted as applying to all income derived from the exercise of monopoly power and is not limited to the particular form represented by the payment made by a tenant to his landlord.

The closest to an 'accepted dictum of current political economy' is that a tax on income from monopoly, or economic rent, cannot be shifted and will not affect the allocation of resources. The difficulty of imposing such a tax lies in the near impossibility of identifying in practice the income defined by modern theory as economic rent.

Bread without sweat?

In the sphere of politics the practical difficulty of identifying economic rent can be avoided by emphasising a distinction between the results of the public and private exercise of monopoly power. Private monopoly is held to be an undesirable privilege, and it is argued that most social injustices stem from the exercise of private monopoly power; a power that confers rights and ignores the corresponding duties.

It is said that 'In the sweat of thy face shalt thou eat bread', but by the exercise of private monopoly power a few can eat bread without the need to sweat.

Income from private monopoly, including all the definitions of rent, is put forward as the prime motivator of the process resulting in social injustices – a process ensuring that the labourer receives less than his due whilst granting ever increasing privileges to those enjoying exclusive property rights.

However, to pursue this argument within the full social context, leads inevitably to the fundamental questions relating to property; questions considered to be beyond the scope and competence of modern economic theory.

During the second half of the nineteenth century the further development of Ricardian economics gave rise to many political proposals by economists for methods of land nationalisation (12).

Advocates claimed their various proposals served the interests of justice by eradicating privilege at its root, as that fundamental monopoly income, the rent paid by a tenant to his landlord, would accrue to the public authorities and so become a public income for the enjoyment and enrichment of all.

State socialism argues this development from Ricardo through to its logical conclusion. As monopoly income, or rent, is yielded by any factor of production in fixed supply, then the most effective way to avoid the injustices resulting from the inequalities inherent in uncontrolled distribution is for all property rights over factors of production to be vested in the state.

Thus, state socialism claims to create the opportunity for a fair distribution of the product by administrative decision. So-called liberals and moderates in their advocacy of the various methods for central control over prices and incomes are, as it were, hesitant socialists. They argue also, that in the interests of equality it is necessary to distribute the product by administrative decision.

In his forthright manner Henry George likened such ‘moderates’ to those who, seeing a man about to be unjustly beheaded, speak in favour of cutting off his legs instead.

Obscuring simple truths

The narrow original formulations of Ricardo are also redefined and extended within *Progress and Poverty*. The arguments of George are based on direct observations, and imaginary developments, of the imperfect order. Rent is the return to that factor of production termed land, and land is defined as ‘the whole material universe outside of man himself’ (13).

The term rent is used ‘to distinguish that part of the produce which accrues to the owners of land or other natural capabilities by virtue of their ownership’ (14).

Ownership of land refers to the perpetual right to its exclusive use. Thus Henry George isolates a particular property income, that share of the product which in an imperfect order accrues to the owners of land; but the identification of this particular form of property income is no more than a step in the method that he used to great effect.

The purpose of this approach is to make clear that in the nature of things a part of the product is publicly created, and in the natural order this publicly created part is public income. The usage of the term rent by Ricardo, and subsequent Ricardian economists, is wholly devoid of this particular sense and meaning that Henry George invests in the same term.

Ricardo's law of rent is an important milestone in the history of economic doctrine from which various theoretical developments lead to conflicting conclusions. Ricardian economics is developed by Henry George primarily as an analytical tool for the purpose of distinguishing a special kind of income that is publicly created.

Rent, in the sense in which the term is used in *Progress and Poverty*, is a publicly created share of the product accruing to the owners of land; it is akin to the net product of the Physiocrats, and recognised by Henry George as a unique source of public income.

Yet, other theoretical developments from Ricardo lead to the conclusion that the rent of land is not a special kind of income, but is one example of a large class of property income. In accordance with modern theory land, as defined in *Progress and Poverty*, is an example of a factor of production in fixed supply and, therefore, the rent of land is a particular example of the rental income yielded by any factor of production in fixed supply.

Rent is the common term in these various developments, but it is a term used to serve very different purposes.

The analytical tool Henry George used to great effect is today an instrument of much confusion. Reference to the rent of land now serves to mislead those unaware of the essential Physiocratic sense and meaning of the term as used in *Progress and Poverty*.

If the conclusions of Henry George are accepted in a Ricardian context then the conflicting conclusions reached by other logical developments of Ricardian economics soon become impossible to deny, within the confines of political economy; no matter whether a particular conclusion is reached through the work of Karl Marx, or Alfred Marshall.

Possibly it is the recognition of these disabilities that leads so many twentieth-century Georgists to concentrate on presenting the moral arguments for their case, to the exclusion of the economic arguments. Their decision may be well justified on the grounds of political expediency, but is necessitated by a failure to reformulate theory to meet changing needs.

The unbounded savannah

Progress and Poverty is no exception to the general rule that great works of political economy are invariably orientated to a public issue important at the time of their writing. For example, Ricardo's formulation of the law of rent provides the theoretical support for his argument that the high price of corn is not caused by the high price of corn-land, but that the high price of corn-land is the result of the high price of corn (15).

For Ricardo corn was a synonym for wheat, and the prevailing high price of wheat was an important issue in the United Kingdom at the beginning of the nineteenth century. In the twentieth century Keynes orientated his *General Theory* to demonstrate that supply could not be relied upon always to create its own demand (16).

Again, during the inter-war years of depression, the continuing deficiency of general demand was a public issue of international importance. In passing it may also be noticed that Keynes did not argue, as many Keynesians appear to believe, that demand can be relied upon always to create its own supply.

Henry George too was concerned with an important public issue of his time; he orientated *Progress and Poverty* to demonstrate that growth of population, and especially the growth of more densely

populated cities, is not of necessity associated with ever increasing poverty. The pessimism of the then authoritative arguments, based on the assumptions of the niggardliness of nature, was not for him. 'It is a well-provisioned ship', said George, 'this, on which we sail through space' (17).

In a story full of meaning for a developing nation Henry George describes an unbounded savannah with everywhere seeming to be of equal productiveness, and in imagination he traces the growth of a great city from the arrival of the very first immigrant. He also observes with St. Thomas Aquinas (18) that man is gregarious by nature, but he carries the observation further.

With every increase in the population that results from this gregariousness, the product also increases in quantity, quality and variety. Eventually the natural balance between increases in both the tangible and intangible product, and increases in population, is distorted by inequalities in the distribution of the product. He also describes how, beyond a certain point, progress in an imperfect order becomes associated with ever increasing riches for the few and an intensification of poverty for the many. Thus Henry George calls attention to a great, but unnecessary, problem of his own age – progress and poverty.

In the 'savannah story' the pessimistic assumptions of Ricardian economics are abandoned in favour of an unbounded savannah of equal fertility. There is no presumption here of the niggardliness of nature. Poverty is not assumed to be inherent in the natural order; with every increase in population the product increases in greater proportion.

Poverty can appear only as a result of the maldistribution of the product within an imperfect order. With the growth and increasing density of the population, Henry George demonstrates, an income seemingly akin to the concept of Ricardian rent is yielded to those enjoying exclusive property rights over land.

But this income, unlike Ricardian rent, cannot arise from any lowering of the margin of production as the savannah is of equal

fertility; and poverty cannot then appear as a result of population pressing against the means of subsistence, for the product grows at a faster rate than the population. The income Henry George calls rent is a function of location. The enjoyment of this income is the privilege of the fortunate few who hold exclusive rights over land at the locations where the income is generated and, as an inevitable result, the unfortunate many who are excluded from this income must swell the mass of the underprivileged.

Mindful of the nature of his inquiry and the important political issues of his day, Henry George rightly emphasises in *Progress and Poverty* the association of the increases in population with the growth of the income which he calls rent, but such an association, however well proven, does not imply causation in either direction.

The demonstration that locational advantages can yield a clearly measurable rent only after the population has grown to a certain size is not sufficient grounds for concluding that the growth of population is the cause of rent, or for concluding that the amount of rent is dependent solely upon the size of the population.

For example, in an unbounded savannah of equal fertility the growth of population based upon subsistence farming will not be associated with the appearance of rent, although neighbourly co-operation will confer both material and other advantages upon individual farmers and their families. Even when associated with good neighbourliness something more than growth and increasing density of population is necessary to create locational advantages which yield the special kind of income Henry George calls rent.

Specialisation and trade

In a trading economy, that special kind of income, or rent, which varies with location is in fact a consequence of specialisation – an interdependent system of production that is conducive to personal development.

Specialisation enables persons, subject to the discipline of the market, to develop their individual talents by producing goods and

services for the consumption of others in exchange for those they desire to consume themselves. The freedom to trade both within and between interdependent integrated communities is a necessary condition for specialisation. Size of population is a factor limiting the opportunities for specialisation; a community that is well able to support a general practitioner of medicine may be too small for the practice of a specialist gynaecologist, and a national economy capable of providing a base for automobile manufacturers may be unable to support an independent aerospace industry.

“The store, the blacksmith’s forge, the wheelwright’s shop”, as mentioned by Henry George in the savannah story, can be set up only after the settlement has attained a size of population sufficient to provide a market capable of supporting such specialists (19).

Land at the centre of the settlement, argues George, “begins to develop productiveness of a higher kind” (20) only with the setting up of specialists. This particular productiveness is an aspect of the locational advantage the centre offers to particular specialists. The size and density of population acts as a kind of threshold that the community must cross in order to enjoy this higher kind of productiveness, but the special kind of income Henry George calls rent arises as a function of location, and as a natural consequence of specialisation, only after this threshold has been crossed.

The prime purpose of specialisation is personal, in that it gives to the individual an opportunity for development. In the natural order the division of human labour is bred of a personal desire to specialise. In the imperfect order the division of labour is primarily a method of economic organisation for the purpose of increasing productivity, and it is often forced upon an unwilling populace by the necessity imposed upon private firms to remain profitable in a competitive economy motivated by profits.

Thus the pin factory, so perceptively described by Adam Smith, is an example of the division of labour designed only to improve productivity, with little or no regard for the personal purposes of specialisation.

Freedom to trade, as has been argued, is a necessary condition for specialisation, and for similar reasons it is also a necessary condition for the division of labour, irrespective of the immediate object of the division. The need to trade, the need for cooperation of other individuals and firms both within and without a particular community, gives to particular locations marketable advantages.

In *Progress and Poverty* it is described how land in the centre of a settlement begins to develop a productiveness of a higher kind with the setting up of a store; a store-keeper needs customers and the centre is the best location for his purpose. The special kind of income which varies with location is generated by trade: in the natural order, as a consequence of specialisation; in the imperfect order, as a consequence of the division of labour.

Trade results from a contractual relationship between persons, and contracts may be the subject of a dispute, or may need to be enforced. Thus trade tends to flourish in those communities where a public expense is incurred at least sufficient for the maintenance of law and order. Certain necessary public expenditure therefore conveys an advantage to all locations within the community which incurs it. Further, if trade and industry are to flourish within a community, then certain expenses must be incurred to provide the public services required at particular locations.

The development of a 'higher kind of productiveness', as Henry George called the manifestation of locational advantages, will not persist if Main Street is allowed to remain a quagmire and the area left devoid of all public services. Indeed, in such conditions, the locational advantages of operating at the centre might disappear completely, with both trade and industry departing to other centres where public expense is incurred for the provision of necessary public services.

Publicly created income

Man is gregarious by nature and, in accordance with his nature, establishes himself in communities.

As a community grows it creates a market sufficient to allow for the division of labour; the law and custom of the community will determine whether this serves the purpose of specialisation, or material gain, or both and much more.

Trade and the division of labour are concomitant; together they confer on particular locations various potential advantages. For the realisation of these potential advantages it is necessary to provide those locations with certain public services at public expense. It is the provision of public services at public expense which gives to locations the capability of yielding a special kind of income.

This income is of a special kind, as it is primarily dependent on public action. It is produced at particular locations only with the assistance of communal and inter-communal cooperation; and this is made possible through the provision at public expense of certain necessary public services. Essentially this special kind of income is a public income, as distinct from a personal or private income.

Thus, in the nature of things, a proper public expense is one that creates the capability of producing a public income sufficient to cover that expense.

The natural balance

The Physiocrats argued that whenever public expense exceeded the public income receivable then public expense must be cut.

Similarly, the recognition of a natural balance between proper public expense and the public income is central to the writings of Henry George.

On the other hand, beginning with Adam Smith, established economic theory has consistently failed to recognise that public income is a special kind of income produced as a result of public expenditure. Although the father of modern economics castigated public profligacy in *The Wealth of Nations* he admitted also that when the proper subjects of taxation failed to produce a sufficient revenue to cover public expenses, then improper subjects must be taxed (21).

The failure of modern economic theory to define the natural parameters of the public sector, or even of public spending, is an inevitable outcome of its failure to observe that public income is a special kind of income.

Today, when in most developed countries of the western world public spending is both excessive and largely improperly directed, the prevention of public profligacy is a matter of great moment.

In some parts of the United States of America the electorate has taken direct action to cut tax revenue in a blind attempt to force the public authorities to reduce spending. A direct action of this kind tends to make a bad situation worse, for it leads to the creation of excessive public debt, or indiscriminate cutting of both necessary and unnecessary public services.

Economic theorists have responded to this popular demand with a multiplication of economic models, such as the Laffer curve (22), from which, it is claimed, an optimum tax structure may somehow be derived for any given level of government spending. Many of these economic models amount to little more than a mathematical elaboration of what Professor Taussig has described as the ‘cynical principle of taxation’, namely, to ‘pluck the goose with as little squawking as possible’ (23).

In addition much time, effort and expense, is being directed towards investigating the possibilities of the so-called ‘free-market pricing of public services’ as a means of reducing the impact of public profligacy upon the taxpayer. In the confusion it is not often observed that the free market price of public services is realised in a special kind of income that is publicly created at public expense.

‘Not a single tax’

In the United Kingdom tax revenue now appropriates around 40% of the product; in the nineteenth century it appropriated around 8%. This great change does much to explain why remedies put forward in the nineteenth century are considered irrelevant to our current problems.

The use of misleading terminology can give credence to this first impression. George's endeavours to make clear a simple truth a century ago set in motion, and continue to motivate, a worldwide movement. In many countries, including the United Kingdom, it has taken the form of political pressure groups demanding the introduction of a 'tax on rent' or even a 'tax on land values'. These slogans once enjoyed an ephemeral place in the emotive language of politics but they are not a reflection of truth; worse, out of their time and place they convey a wrong impression often mistaken for the truth. A tax, by both definition and common understanding, is an arbitrary levy imposed by force, or the threat of force, and an arbitrary levy has no place in the natural order (24).

If a political movement is to convey the true Physiocratic sense and meaning of *Progress and Poverty* then its slogan should be for 'not a single tax', and not 'for a single tax'. A century ago this distinction was possibly of no account in the formation of public opinion, but over the years conditions have changed.

In the Western developed nations of today the electorate react to the excessive burden of taxation necessitated by ever increasing public spending. The important public issues in political economy are debated in the context of what Adolph Wagner described as 'the law of the increasing expansion of fiscal requirements' (25).

In this context, the single tax slogan makes the case put forward in *Progress and Poverty* seem irrelevant, and it also obscures the fundamental cause of immediate difficulty by confusing the issue.

Truth is unchanging, but to appear relevant the form in which an attempt is made to express truth must change with the times.

The failure of 'Single Tax' movements to appear relevant at the level of current public debate is rooted in the failure to change terminology and reformulate theory to meet changed conditions.

In the nineteenth century the exercise of monopoly power by private landlords was the apparent immediate cause of many social injustices. In the twentieth century the apparent immediate cause is excessive taxation, although the public issue is more complicated.

Excessive taxation is an inevitable result of the ever increasing public spending intended to mitigate those social injustices whose immediate cause is – excessive taxation. This is a disaster spiral that could not have been envisaged at the time of Henry George.

However, like truth, the primal cause is unchanging; it is the failure of government to collect publicly created income for public purposes and to adjust its public expenses to the limits imposed by the available public income. This failure makes taxation necessary, and taxation, just like the exercise of monopoly power by private landlords, then causes a maldistribution of the product and results in social injustice.

The simple truth Henry George endeavoured to make clear in *Progress and Poverty* relates to the unchanging primal cause of social injustice. This simple truth is as relevant in 1979 as it was in 1879, but its relevance to the public issues of 1979 is obscured when presented in the nineteenth century Ricardian formulation.

The first publication of *Progress and Poverty* is an important milestone, for it marks the nineteenth century resurgence of the Physiocratic tradition of political economy. The centenary of the publication may now be of equal historical importance if it marks a twentieth century resurgence of the Physiocratic tradition.

By setting in motion this resurgence the centenary conference can not only honour Henry George but also further his endeavours.

The unbounded savannah must now be translated into terms of the unbounded horizons of these closing decades of the twentieth century. The first step is to ‘recast political economy’ so that truth is once again seen to be relevant to the public issues of this present day and age. The work is challenging with exciting possibilities.

Now, at this centennial celebration, we have the opportunity to discuss, plan and lay the foundations for the work that will lead to the realisation of Henry George’s vision of ‘free men, free land, and free trade.’

References

The list of references is missing from the original manuscript, but many can be inferred from the context as shown below:

- 1 *The Science of Political Economy*, 7th March 1894, and 1898.
- 2 Possibly a reference to the works of Enrico Barone, Von Thunen, etc.
- 3 A quotation from the works of Henry George.
- 4 Keynes, *The General Theory of Employment, Interest, and Money*, Chapter 24, pp. 375-376.
- 5 A quotation from the works of Henry George.
- 6 Adam Smith, *The Wealth of Nations*, Book IV, Chapter IX, para. 28.
- 7 Henry George, *Progress and Poverty*, Book III, Chapter II.
- 8 Ricardo, *Principles of Political Economy and Taxation*, Chapter II.
- 9 Unidentified reference.
- 10 Unidentified reference.
- 11 *The Wealth of Nations*, Book V, Chapter II, Article I.
- 12 Unidentified reference.
- 13 *Progress and Poverty*, Book I, Chapter XI.
- 14 *Progress and Poverty*, Book III, Chapter II.
- 15 Ricardo, *Principles of Political Economy and Taxation*.
- 16 Keynes, *General Theory of Employment, Interest, and Money*.
- 17 *Progress and Poverty*, Book IV, Chapter II.
- 18 Thomas Aquinas' *De Regimine Principum*, Book I, Chapter 1.
- 19 *Progress and Poverty*, Book IV, Chapter II.
- 20 *Progress and Poverty*, Book IV, Chapter II.
- 21 Adam Smith, *The Wealth of Nations*, Book V, Chapter II, Article 4.
- 22 Unidentified reference.
- 23 Taussig, *Principles of Economics*, 3rd ed., Vol. 2, Ch. 68, p.508-509.
- 24 Unidentified reference.
- 25 Wagner, *Finanzwissenschaft*, Leipzig (1890); Peacock and Wiseman, *The Growth of Public Expenditure in the United Kingdom*, p.17.