

New Judgement on Henry George



by A. J. CARTER

IT IS PLEASANT to find an academic who understands George's ideas and is able to write about them without misinterpretation. *Henry George: Dreamer or Realist?** is a work of scholarship in which the author, a professor at Indiana State College, has examined the treatment of George and his ideas by American historians and economists, ranging from those who were George's contemporaries to those of the present day. A glance at the bibliography, which alone runs to some twenty pages, impresses one with the knowledge and research that provide the background information for the book. It is something, perhaps, that so many people refer to George at all.

As might be expected, however, the majority of those who give George space do so only briefly; most of them are guilty of gross errors, and most (though not all) either condemn his ideas or are so lukewarm in their favour that their sympathy is almost a condemnation in itself. Professor Cord deals lucidly, and as far as one can tell, fairly, with all the comments made. He refutes a large number of the cruder misconceptions—the commonest being that George advocated land nationalisation—and his skill in doing so adds weight to his endorsement of the objections that he does think are of substance. He looks on George's attribution of economic depressions to speculation in land, for instance, as an over-simplification. Land speculation is one significant cause of industrial depressions, says Professor Cord, but not the only one.

Such criticisms may modify, but do not invalidate, George's economic analysis. Henry George was a great man, but he was only a man, and no man is omniscient. The truth is always bigger than our comprehension of it. It would be surprising indeed if after nearly ninety years there were not some new factors qualifying George's thesis that George himself overlooked, underestimated or could not possibly have foretold.

George's development of the law of rent, like much of the structure of classical economics that he accepted, assumed that "other things were equal." Professor Cord shares the modern outlook in deriding this attitude. Thereby he subscribes to the widespread fallacy that if someone makes an assumption he necessarily believes that assumption to be literally true. One wonders what the scientist Robert Boyle would have thought if, when trying to ascertain the relationship between the pressure and the volume of a gas, and for this purpose maintaining its temperature as constant, he had been told that the

experiment was worthless because temperature was not constant at all. As if he didn't know! If temperature were constant there would be no need to keep it so. Similarly, if all human activity were economic, there would be no need to postulate the economic man. It is precisely because in the everyday swim of things man's economic motivations are mixed with others that economic tendencies cannot be arrived at without the help of theory. Does anyone seriously suppose that Adam Smith, who for twelve years occupied a Chair of Moral Philosophy, was unaware that economic motives were accompanied by social, ethical and non-rational motives?

Professor Cord rejects the argument that land values should be collected by the community because they are created by the community. He declares that the value of all goods is created by the community, since no one individual can affect the price.

The distinction is that land is not produced, whereas goods are. Land values are determined solely by the community's demand, whereas the price of goods is determined, at least in so far as there is open competition, by their cost of production.

It is brought out clearly in the book how George has suffered the fate of being pilloried by all. Karl Marx attacked the single tax as "capitalism's last ditch"; a more recent writer attacks it as entailing a "virtual revolution against capitalism." Nowadays, accustomed as we are to a powerful state, George's fervent support for free enterprise may seem almost reactionary, but in the context of his own times he can be seen, as Professor Cord sees him, as one of the forerunners of many who wished the state to act more positively. A fascinating corroboration of this view lies in the contemporary argument that collection of the full economic rent would yield an excess of revenue for the state and so lead to corrupt government. This argument puts into perspective the current objection that a 100 per cent. land-value tax would yield insufficient revenue. It serves as a reminder that the general level of public expenditure should at no time be regarded as fixed.

One of the recurring failures in the remarks made about George is the lack of distinction between the single tax on land values and the taxation of land values as such. Some of the opposition to a land-value tax as the only tax would not have applied to a land-value tax as one among others. The author's own assessment is that the virtues of land-value taxation have been obscured by the insistence on it as a single tax; that a tax on land values is good but that it must be accompanied, both in equity and to raise enough revenue, by other taxation.

* *Henry George: Dreamer or Realist?* by Steven B. Cord. University of Pennsylvania Press, \$6.00.

There are two separate issues here; one is the nature of the ideal, and the other the practicability of achieving it. Those who believe in the single tax argue not only that the economic effects of a tax on land rent are quite different from those of the many taxes on wages and interest, but also that the earth is the birthright of all mankind. They therefore hold firmly to the essential rightness of the single tax. At the same time, the majority of single taxers are not pacifists and so would join with the author of this book in recognising that in the modern world the sad necessity to spend fairly large sums of money on defence renders immediate application of the single tax impossible. This impossibility is not an argument against the single tax; rather it is one more reason why mankind should abandon the wasteful folly of war. If all the counties of England or the separate States of the USA maintained their own armed forces, even the income tax might become a little strained.

To the question that comprises the title of this book, the author's answer would probably be that George was a bit of each: a dreamer certainly, but also a realist in the sense that his proposals were sound, practical and effective. Those who are inspired by the ideas which also inspired Henry George, and which he publicised with so much force and eloquence, would not necessarily disagree that George was both dreamer and realist, but their emphasis would be different. For them, when George dreamed of social justice and a world from which involuntary poverty had been banished, he dreamed only of the end of evils that he knew how to destroy. It is, after all, the mark of every major reformer that he is neither solely a dreamer nor solely a realist, but a fertile combination of them both.

Sharp Practice at the Polls

by ROBERT MILLER



BELOW are the votes cast at the last two General Elections and the seats secured by the three parties:

Party	1964		1966	
	Votes	Seats	Votes	Seats
Labour	12,205,581	317	13,049,455	364
Conservative	11,980,783	303	11,406,255	253
Liberal	3,101,103	9	2,320,021	12

A few calculations reveal that a heavier than usual crop of curious anomalies sprouted out of this year's farce—and I use that word because my interpretation of it is something to do with a performance in which ridiculous situations are exploited.

First, it will be seen that whereas in 1964 it took something like 38,000 votes to secure a Labour seat, 39,000

for a Conservative seat, and no less than 344,000 votes to put one Liberal in Parliament, the corresponding figures for 1966 were 35,000, 45,000 and 193,000! (For the purpose of this discussion, I have treated the Liberal win at Roxburgh in March, 1965 as though it had taken place about a year later). All this, and the Liberal "phenomenon" in particular, in spite of the fact that the total vote in 1966 dropped by over half a million!

It is also curious that an increase in the Labour vote of something like 6.9 per cent. over the 1964 figure gave the party 14.8 per cent. more seats; a decrease in the Conservative vote of 4.8 per cent. lost that party 16.5 per cent. of its seats; while a *decrease* of 25 per cent. in the Liberal vote *increased* the Liberal seats by 33½ per cent.

If seats were allotted in proportion to votes cast, the results for 1964 would have been:

Labour	44.7 per cent	281 seats
Conservative	43.9 per cent.	276 seats
Liberal	11.4 per cent.	72 seats

and in 1966:

Labour	48.8 per cent.	307 seats
Conservative	42.6 per cent.	268 seats
Liberal	8.6 per cent.	54 seats

It may be argued that in both cases Labour would have been a minority government, but the fact is that they represent minority opinion. More people voted against them than for them, both in 1964 and in 1966. Proportional representation would ensure that public opinion was reflected in Parliament as near as it is humanly possible to do so.

It may be argued that such a minority government could never achieve much because it would nearly always be out-voted by the other two parties. But need this necessarily be so disastrous? Or even likely? In any case we cannot be so certain that the result of the first "PR" election would be anything like that above. If people knew that every single vote played a part in arriving at the final result, nobody would be afraid to vote according to his convictions; the habit of casting aside minority opinion merely because its chances are practically nil would disappear, and voting for one major party merely to keep out the other would be pointless and unnecessary.

That the so-called "floating vote" of only two or three per cent. of the electorate can transfer power so drastically from one party to another can hardly be said to be government of the people by the people. It is more like government by whim and fancy. Which government will have the courage to organise a mock election—even a pilot one in a few constituencies—on a PR basis, just to see what would happen?

FALSE PATHS TO HIGHER WAGES

True and false remedies for increasing real wages.
9d. including postage.