

Henry George and His Critics

by STEVEN CORD

How have American economists and historians treated Henry George? What is his rightful place in history and economics? As I near completion of my doctoral thesis, answering these and other questions, certain conclusions become increasingly evident.

(1) With the passage of time, historians have been giving more emphasis to the importance of Henry George and his influence on the course of American history.

The historians of George's day conceived of history primarily in terms of political change and consequently they wrote political history; since George made very little of that, they hardly mentioned him at all, either favorably or unfavorably. George's mayoralty campaign in 1886 came closest to making political history for him.

In our time however, the history of social ideas has come into vogue. Writers, agitators and public opinion movers who have affected American thought about social matters have consequently received great attention. In this setting George has been spotlighted, for it was he who first implanted the idea in the minds of Americans that the social sins of poverty and depression were not inevitable and that our government must do something about them; they were "the riddle which the Sphinx of Fate puts to our civilization and which not to answer is to be destroyed." George's position as the forerunner of the Progressive Era (1900-1916) and as the inspirer of a whole generation of progressive reformers has recently received more attention.

(2) Although historians today tend to treat Henry George favorably, they generally regard the single tax or the land value tax (they seldom separate the two) as a peculiar idea having no practical merit at all. They make only half-hearted attempts to resolve the seeming paradox that the purveyor of a mere utopian dream changed the course of American history and left an indelible impression on the minds of the next generation. In most cases the critics did not understand the single tax at all. After such recent historians as Stewart Holbrook, Gerald Johnson and Saul Padover attempt to explain the idea one gets the impression that they must be writing about something else. Benjamin DeWitt, for instance, wrote useful contemporary history of the Progressive Era in 1915, but he made this comment: "Because of the obvious practical difficulties involved in taking all the land in a city from private individuals and turning it over to be managed by the community as a whole, the single tax in its original form, is very rarely adopted." Of course this was not what Henry George advocated.

Thomas Beer (*Mauve Decade*) refers to the single tax as "the reduction of real estate to common property by an imposition of a tax equal to the total rental value of the land."

Lewis Einstein, in a biography of Theodore Roosevelt, said Henry George ran on a socialist platform in 1886.

Fred E. Haynes, in his *Social Politics in the United States*, referred to the single tax as a form of agrarian socialism.

James Ford Rhodes wrote that George "wanted the government virtually to confiscate all the land" and stated that the Haymarket affair in Chicago and "the railroad strike in the southwest U. S." made George's 1886 campaign in New York City possible (actually these events hurt George).

(3) One would expect that the economists would understand George better than the historians, but such seems hardly to be the case. I have just finished a survey of the textbooks on public finance written during the past thirty years, and find that one tax expert, Professor Clyde King, could write: "The tax is levied, not to raise money, but to make land, in effect, nationally or state owned."

Jens Jensen asserted, "The tax is laid on the landlord, and stays there, and he is *pro tanto*, dispossessed, which is the intention of the land-value-taxers."

Mayne S. Howard asks, rather than pay a full tax on land values, wouldn't there be a marked migration for the cities? However, in the next paragraph he implies that after the tax would be imposed a flood of skyscrapers might be erected in order to minimize the land value tax payment. He can't have it both ways. He concludes his treatment of the single tax by saying that it has nowhere been tested. What about Australia and New Zealand?

Merlin Hunter and Harry Allen claim that land value taxation is administratively unfeasible because of the inseparability of land and building values. What about all the cities that are assessing land and buildings separately?

Such misconceptions as the following are well known to us.

Alfred Buehler: "Even if it were possible for our cities to live on the income of socialized land, would the public ownership or management of land be preferable to private ownership and utilization?"

Richard U. Ratcliff: "The adoption of this plan would revolutionize our land system and the whole institutional framework of private ownership."

Professor M. Slade Kendrick of Cornell University acknowledges: "The single tax has been the butt of many misleading arguments. Few proposals have been subject to greater misunderstanding of theory or effects." His paramount objection to the tax is that it would bring immediate financial harm to many real estate owners. This is, of course, the leading obstacle in the way of single tax reform.

Here are misstatements that appear frequently in the public finance textbooks—land values are not the only unearned increments—the single tax would be insufficient for the support of a modern government, it ignores ability-to-pay, and land ownership today is widely distributed throughout society.

(4) Although the land value tax is not popular at all with the textbook writers, one should not get the impression that George lacked supporters among the academic tax experts. In 1936, an opinion survey showed that 28 professors out of 48 (58 per cent) favored a lower tax rate on land rather than improvements, although only two favored complete exemption of improvements. Who knows what a present-day poll would indicate? My research shows a number of moderate supporters in the academic ranks, yet the professors opposed to George seem to have been more vociferous in their opposition than the advocates have been in their agreement.

Henry George's reputation has improved gradually but steadily among American historians and economists. For them to acquire an understanding of his ideas nothing can surpass a first-hand acquaintance with his writings. To encourage this, patience and tact on the part of Georgists will be strict necessities.