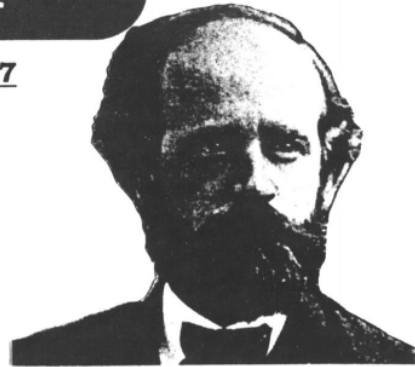


THE PHILOSOPHER THEY 'DISAPPEARED'

ROY DOUGLAS



IN OCTOBER 1897, a man named Henry George died in the course of a campaign in which he was seeking to become Mayor of New York. Why should that fact require commemoration in Britain a century later?

Henry George's contemporaries, whether in America or in Britain, would have had no doubt about the man's importance. At one point, he was said to be the second most discussed man in Britain, ceding place only to Gladstone. Some admired him intensely, some loathed him, nobody ignored him. Men who have acknowledged indebtedness to his ideas include people as diverse as Sun Yat Sen, Winston Churchill, Michael Davitt, Leo Tolstoy and Albert Einstein.

His most famous book, *Progress and Poverty*, which first appeared in 1879, has sold millions of copies in eighteen languages, and is still in print. It addressed a profound paradox. How did it happen that all the technological progress of the past few centuries had failed to relieve poverty, which in many places was as bad as it had ever been?

George was born in Philadelphia in 1839, and left school at thirteen, after a rudimentary education. Thereafter, he had a very mixed career, in course of which he travelled widely in the United States. Two experiences on opposite sides of the continent radically affected his thought: the great poverty which he saw in New York, and the enormously enhanced prices which people were coming to ask for land in California. Such matters led him to consider problems of political economy.

George reflected that all wealth ultimately derives from human effort (which he called "labour") exerted on natural resources (which he called "land"). Words like "labour" and "land" are not always used in the same way in ordinary speech, but in all of his writings George used those words, and other

economic terms, in particular ways which he carefully defined. He argued, with impressive logic, that the principal root cause of poverty was that human labour is frequently denied free access to land.

From this, Henry George moved to consider the problem of making land "free" again. Clearly, it would be unthinkable to allow everybody to roam at will wherever he might desire. There is no way of running a modern society, agricultural or industrial, in which everybody is at liberty to walk over a field of growing wheat or the premises of a factory, or to dig minerals out of the ground wherever he might find them.

Henry George suggested that this apparently intractable problem could be answered in a different way, by making changes in the taxation system. He proposed that the principal burden of taxation should be switched from taxes on labour (like income tax), and taxes on goods (like customs and excise duties), on to the unimproved site value of land.

If land were taxed, George argued, all kinds of useful results would follow. Existing taxes could be abated. A tax on land values would be much simpler to collect than existing taxes, and would have far fewer adverse side effects. It would also have many positive effects. George showed that it would make it impossible for employers to get away with paying "starvation" wages, that it would greatly reduce unemployment, and that it would eventually get rid of bad housing and wanton encroachments on the environment.

WHAT HAPPENED, then, to Henry George's message? In Britain, it went from strength to strength in the latter part of his lifetime, and for many years after his death. It was the inspiration of the "People's Budget" of 1909, although it

was never set properly into effect thereafter. In the period immediately before 1914, most of the leading figures in the Liberal and Labour Parties were to a greater or lesser extent influenced by George's ideas.

With the 1914 war, everything went wrong. For four years, people were preoccupied with the war itself. Then, when the war ended, urgent problems deflected attention. By the nature of things, the solutions which Henry George recommended would take a considerable time to produce their full effects. But people called for urgent, short-term, "solutions" for matters like mass unemployment, just as a man who is suffering great pain may be more interested in finding something to allay the pain than in finding a cure for the disease which caused it. Then everything was subsumed in the international questions presented by the run up to the 1939 war, by the war itself, and by its immediate aftermath.

In the last ten years, however, a radically new situation has arisen. All kinds of different "remedies" which various people had long proposed for economic troubles, have suddenly lost their appeal. Who would have thought, even ten years ago, that Marxism would have collapsed throughout the European continent, that renaissance "laissez-faire" capitalism would have been generally discredited, and that all enthusiasm for Fabian socialism would have evaporated? All of a sudden, the false prophets have lost their followers.

Yet the paradox of poverty amid technological progress which Henry George discerned more than a century ago remains unsolved. Large-scale chronic unemployment, which for more than thirty years seemed to have disappeared, is now back in our midst. Job insecurity touches

Continued on page 4

OPEN FORUM 4

Postbag

Sir, Michael Hudson and Richard Noyes, in "Sidetracked! Counting the cost of the Two-Rate Tax" (Spring 1997), indicate that the effort to get two-rate cities is trivial and inconsequential and that the movement should abandon this effort to concentrate on the "big picture". They say: "Only an overall philosophy will enable people to make sense of the chaos in the economy. Once people gain this broader sense of proportion, their fiscal perspective will follow."

The idea that because we seek two-rate cities we are somehow undermining other efforts to convince the public of the rectitude of George's theory is nonsense.

One of the strengths of our movement is that everyone has his own idea about how to reach the goal we all cherish: for governments to eliminate taxes on labour and to collect the economic rent of the land. This is a strength because we do not know which path is going to be the one that will lead us to our goal. If we did, we could concentrate all of our efforts on the "right" path and

abandon all of the work on the "wrong" paths. The authors say that theirs is the "right" path, that getting two-rate cities is the "wrong" path and that all of the resources now directed to two-rate should be re-directed to the "right" way. More nonsense.

There is no bar to the authors pursuing the "right" solution. Since they tell us it is the "right" way to go, undoubtedly, they will convince our national leaders to follow their lead. When that happens, but not before, all of us two-raters will abandon our efforts and fall in line behind the leaders. The progress that Dick Noyes has made toward our goal in the New Hampshire Legislature, where he sits, is a sterling example of the results that can be achieved when following the "right" path.

We do need "real world victories". We do need more two-rate cities. We need more cities that tax land only. It's obvious, even to us, that it is only a first step, but, if we do not have first steps, modest as they may be, we will become totally a debating society. We will have

no examples of the practical application of our ideas. Is that what we want, nothing practical, just more and more studies and more and more debates? I don't think so.

The article does prove one thing to me. Georgists have little or no tolerance for the ideas and efforts of other Georgists. Georgists like to blame their lack of success not on the paucity of their own efforts, but, on the wrong efforts of other Georgists. If those other Georgists would just get out of the way then the leaders would lead us to Nirvana. Can't we ever get over this syndrome and concentrate our efforts on moving toward our goal? What a waste of energy and treasure to spend the time writing such nonsense and taking the very scarce space in *Land and Liberty* to publish it.

Let us all work, in whatever way we think right, to reach our goal. Let us stop, once and for all, criticizing each other and concentrate on the real problems.

Albert Hartheimer
Lanesborough, MA, USA.

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HENRY GEORGE

Continued from Open Forum page 1

all classes. Booms and slumps continue to follow in succession. City centres decay, while pressures grow for encroachments on the countryside.

Henry George's latter-day followers still believe that the economic doctrines which he proposed more than a century ago provide at least part of the answer to such modern problems. Now that the various other solutions which were being eagerly proposed so recently have all disappointed their erstwhile supporters, is it worth examining Henry George's arguments carefully and critically in a modern context, to see how they might help?

Governments are facing impossible demands for increases in spending on education, health, transport and poverty alleviation. Present systems of taxation cannot cope. Henry George pointed to a source of government revenue which is simple to collect, is fair, and does not press down upon employment or production. It is time for a re-appraisal.