

TWO FACES OF AN IMAGE

I am again indebted to Harry Pollard for reprinting and circularizing George Hardy's Henry George Commemoration Address in Melbourne, Australia last September.

This speech is about the clearest statement of the problem facing Georgists that I have seen. Mr. Hardy begins with practical questions: "Georgist ideas," he says, "have been held by many politicians privately--but when these politicians reached the corridors of power, they have found it almost impossible to convince their colleagues to put Georgist ideals into practice." And he adds that such land taxation as remains in Australia is "a mockery of the original Georgist ideas and has been used as just one more measure to increase general revenue."

He says it is evident that both capitalism and socialism oppress and exploit the individual while Georgism provides a clear cut solution to ethical, social and economic conflicts. "Why is it," he asks, "that we have such small impact?"

He offers as one answer the ease by which extremes are much more apparent than in-between phenomena. But the essence of Georgism, he says, is that it is NOT an extremist philosophy; it stands against exclusive power, exclusive rights and privileges, and it offers social justice based on rational and ethical considerations that are exactly the opposite of the more popular emotional power considerations.

Stressing his opinion of Georgism as "primarily a philosophical and ethical concept, which holds that the individual is entitled to live his life in any way he chooses--as long as he does not infringe upon the equal rights of others to do the same," he calls it "the philosophy of anti-monopolism."

"I believe," he says, "that by stressing these political, and philosophical views

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Should Georgists abandon their quest for land value taxation and turn their efforts to the propagation of their faith in a philosophical and ethical concept that the individual is entitled to live his life in any way he chooses--as long as he does not infringe on the equal rights of others to do the same?

An affirmative answer to this question is offered by George Hardy, an Australian businessman and author in a speech celebrating George's birthday in Melbourne on September 21, 1976 (reported in Progress).

Mr. Hardy makes an eloquent plea for a new approach, but unfortunately he gives us little instruction about how to make it more effective than earlier efforts.

No doubt he is sincere in questioning why so many politicians have been willing to give lip service to George's ideas but have been unable to give them little practice. But Mr. Hardy seems unaware that in the course of his remarks, he answered his own question. For he is as stunningly aware of the ills of monopoly capitalism as he is of the treacherous allure of welfare economics

Indeed, the Hardy analysis can hardly be faulted. No one who believes in the primacy of the individual and, therefore, accepts liberty as a *sine qua non* can fail to agree that George's antithesis to personal privilege--his anti-monopoly stance--is the "third way" between the extremes of *laissez faire* capitalism and socialism.

It is difficult to share his enthusiasm for an "anti-monopoly" campaign. As a slogan or as a banner, it is shopworn. Everyone is--has been for three-quarters of a century in the US--against monopoly. It is one of the graven sins of economics. And like most sins it is deplored and ignored. Everyone will solemnly agree that monopoly (everyone's except his own, that

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of Georgism, we shall be more successful in pointing out the practical benefits which flow from the crusade against monopolies."

Mr. Hardy strengthens his argument by pointing out that identifying Georgism with a "single tax" is more of a hindrance than a help. It takes lengthy explanation, he says, to convince the uninitiated that taxing the unimproved land value is a vastly superior economic measure compared with other forms of taxation. And after we've succeeded, we face another objection: the problem of the responsibility of the state to provide the multiple services we now take for granted. "Instead of having won a point--we become involved in a new argument."

One solution, Mr. Hardy says, may be to put a new and different emphasis on the public image of Georgism. Instead of trying to get acceptance of tax reform, we should present Georgism as providing a clear cut answer to basic social conflict--the distribution of incomes among individuals and between individuals and the community.

George's anti-monopolism, he says, is the only social system that provides a non-political definition of the amounts of just taxation. Georgism provides an alternative to socially minded humanists who recognize the need to limit the responsibility of the community toward the limitless "needs" of pressure groups but do not know where to draw the line without dictatorial decrees.

"I believe that the key to making people realize the validity of the Georgist anti-monopolistic ethic ... is in the continued up-dating and explanation of how our philosophy, our social and economic proposals ensure that the individual can live his life according to his own aims--without being exploited and without being dictatorially forced to do only what is approved by the whims or if you please, the 'plans' of Big Brother."

We should strive to convince people that Georgism is the only social order that can insure individual freedom without exploitation and equality without oppression.

C. A. Weisskopf

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is) must be expunged and then will go on about his business as before.

Mr. Hardy properly faults welfare economics as productive inevitability of tyranny--either directly by intelligent socialists or as a consequence of bankruptcy at the hands of naive ones. History would suggest we are fated to suffer both.

Beyond recommending the reprinting of old tracts for recirculation and the convening of another seminar among the faithful, Mr. Hardy does not tell us how to go about imbuing a spirit of individual freedom and responsibility in a generation schooled in and by "the organization." How are we to get a working majority of people to understand that their liberty depends on "social justice based on rational and ethical considerations which are exactly the opposite of the more powerful emotional and power considerations" they've been taught? How do we sell this message to a population that has been brought up to "keep a low profile," "never volunteer," "don't make waves," and above all "get with

it"? "It", y'know, is the latest fashion in clothes, language, behavior and thought. How do we promote a sense of responsibility and ethical conscience in a people, the majority of whom want only to put in their time and collect their pensions?

Mr. Hardy says that convincing people land value taxation is superior economics to other forms of taxation leads only to another argument about the adequacy of the revenue to be gained thereby. True, the revenue bucket can never be filled if it is an elastic one, continually enlarged by ever-increasing presumed "needs." No amount of tax revenue will ever surfeit politicians who, in honesty or chicanery, offer to meet the supplications of voting blocs. But how successful can rhetoric about ethics and appeals against sin be in combatting such a condition?

The strangest part of this discussion is that these questions were understood and answered a century ago by Henry George. It is all very well to reiterate the famous quote that truth will prevail ultimately. But like Keynes--whom he anticipated--

George realized that ultimately we will all be dead.

A careful reading of "Progress and Poverty" would make clear that George offered his analysis of production and distribution based on John Locke's thesis of individualism for those who wanted theoretical backing for what he had observed to be true.

George was a crusading journalist, but nowhere does he exhort the preaching of a philosophy. What he does is urge action unequivocally: "We must make land common property." What admonition could be clearer?

Moreover, George was specific in his instruction as to how this was to be done. Shift the incidence of tax from the improvement to the site, he said. Then he went on to explain in some detail the multiple benefits that can be expected to flow from this act. To dispute where the emphasis should be is to argue with George.

If a public relations image is wanted, George supplied one. Among the benefits he saw accruing from land value taxation was the marked diminution of land speculation. Not only are the pernicious effects of such speculation acknowledged by economists of all persuasions, but land value taxation is accepted by them as a cure.

Here, then, is an image. Here is a villain to identify and to smite. On the theory that people vote "against" rather than "for", a well-mounted attack on land value speculation would have a better chance of success than any other approach. Certainly when even the promoters of the welfare state are openly questioning its efficacy, there is an opportunity to provide a scapegoat--and a bona fide villain, at that. It would be a shame to miss such a chance while quibbling among ourselves.
Stanley Sinclair

Letters

NOT FAITH BUT JOBS

Mr. Malone (Wither the State--Jan/Feb '77) and the rest of us would be well advised not to take any facet of the philosophy of Henry George or of anyone else on faith. Faith will get one to heaven, but knowledge permits one to be more effective in convincing one's neighbors.

Faith will not reduce a swollen government bureaucracy. But in proportion as land value taxation provides more jobs and higher wages in private employment with financial rewards and security comparable with those to be had in government jobs, will it not accomplish this end by measures of freedom?

In our time of fear of unemployment, it is but natural that men push for a place at the trough. How could it be otherwise?
Henry Tideman

...IF HE WERE ALIVE

It is true that George wanted the state to operate utilities and railroads (Wither the State--Jan/Feb '77) but if he were alive today and you demonstrated a better

method I'm sure he would change his viewpoint.

First, George saw a dilemma "either government must manage the railroads or the railroads must manage the government." I propose a middle road.

If we want the best economy, we must have the best use of all factors of production. So far the best way to do that is reliance on the profit motive--even for natural monopolies. Let private enterprise run these monopolies but tax away the profit due to monopoly.

Vic Wasicki

CALIFORNIA LVT AMENDMENT

The amendment to the California constitution providing for the shift to land value taxation offered by state Senator Albert S. Rodda was formally placed before the legislature in January. As reported in the NEWS (Mar/Apr '75) the proposal would phase out property taxes on improvements personal property in a step-by-step program over the next five years. At the same time, taxes on land value would be increased in an effort to collect rent.

CENTER DIRECTOR PLUGS LVT

Drawing on the findings of the School's Center for Local Tax Research, director Philip Finkelstein made a pitch for land value taxation during a panel discussion on "Property Tax Reform in the Tri-State Region."

Appearing on Metropolitan Regional Conference Television (MRC-TV) with local officials, Mr. Finkelstein discussed the idea of full market value assessment with Frank Caldeira, an attorney in the Town of Islip, L.I.

As New York State's highest court has recently upheld a landmark decision mandating full market assessment for real estate tax purposes, Mr. Caldeira evinced interest in lvt. He asked whether it would mean higher residential taxes.

Mr. Finkelstein pointed out that the practice of arbitrary appraisal in various jurisdictions that accounted for much of the discrepancies in property tax payments from one place to another and from one land use to another. The experiences in full value assessment by municipalities in northwestern Canada have been enlightening, he said. It may be up to state and local governments, he added, to begin moving toward land value taxation.

This was the first meeting of its type on property taxation broadcast by MRC, an organization that serves as a link among various governments in the tri-state metropolitan region.

GEOFFREY W. ESTY

Geoffrey W. Esty, a trustee of the Schalkebach Foundation and a long-time associate of the Henry George School in New Jersey, died February 9, 1977 in Princeton, where he had lived for many years. He had also been a trustee of the New York School.

A medical doctor, he had been a director of the Division of Constructive Health of the New Jersey Health Department, a district health officer, and a special consultant for school health in the Department of Education.

A graduate of Harvard University and Harvard Medical School, Dr. Esty practiced pediatrics in Westfield, N.J. before his retirement some years ago. He died at the age of 72.

WILLIAM LYMAN HALL

William Lyman Hall passed away on March 28 1977 after a lingering illness in a hospital near his home in Charleston, N.H. He was 65.

He taught at the Newark Henry George School in the 'thirties and was associated with the School in New York for a short time. A graduate of Princeton University, Mr. Hall was on the faculties of Franklin Pierce College and Nathaniel Hawthorne College, both in New Hampshire.

He is survived by his wife Nancy and two young children as well as several children by a former marriage.

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