Georgist Journal / No.127 / Spring 2016

Powerful Opponents to Geonomics Throughout History by Jeff Smith

Why does a wonderful idea fail to win popular support? It could be because its opponents were rich and powerful — and willing to wage war. The reform of sharing rent is perfectly phenomenal. It has spread prosperity, lengthened leisure, and made the economy work right for everybody. Yet without even catching on like socialism or capitalism, it nevertheless spurred the 1% to fight back.

Resistance also comes from homeowners who prefer to retain the rental value of their land instead of receiving a share of the rental value of all the land in their region. And many academics apologize for the present system of landlords and mortgages. But, what the rich and powerful have done is magnitudes worse.

Around the world, owners of huge tracts of land kill peasants struggling for a parcel to farm. Brazil, along with much of the rest of Latin America, and India are notable hotspots. Along with this battle for ownership and occupancy of land is the struggle for a more subtle reform: the public recovery of socially-generated land values.

The Anti-Henry George Elite

When Henry George, famous for his Single Tax on land value, campaigned in Great Britain, he had to flee for his life from thugs hired to murder him.

In 1886, George won the election for mayor of New York City. But he was cheated out of his victory by Tammany Hall machinations. Years later on his death bed, Boss Crocker, a Catholic, confessed to tossing George's ballots into the East River — along with drowning a few of his poll watchers.

One of George's biggest backers in the mayoral race was the wildly popular Fr. Edward McGlynn, who was excommunicated by the Pope, the biggest landowner in the world.

In the state of California early last century, when Georgists managed to get the shift of taxes landward on the ballot, you could not walk into any bank without finding free propaganda on the counter against the initiative.

Oscar Geiger, founder of the Henry George School, spoke of a dinner he attended at which financiers and magnates discussed current events, off the record. The guest of honor was Henry H. Rogers of Standard Oil

Company. After the dinner, Rogers took up the subject of socialism and communism, explaining why Wall Street had nothing to fear from them. Geiger remarked to his friend that Rogers hadn't mentioned the single tax. Overhearing this, Rogers responded "The single tax! Gentlemen, that is something we must watch. That damned thing has teeth!"

— from A Seed Was Sown by Robert Clancy

The Nobel Counterfeiters

Alfred Nobel, the inventor of dynamite, left no money for economics or mathematics. The snubbed mathematicians went on to create their own honorarium, the Fields Medal. The Big Bankers, on the other hand, funded a prize for their yearly favorite economist and named it "Nobel" — against the wishes of the Nobel family.

Many think of economics as a science, on par with medicine and physics, even though the Nobelist economists cannot predict accurately, and prediction is the acid test of science. In the mid 1990s, two "Nobel" laureate economists nearly brought down international finance by persuading so many of the rich and powerful to invest in their hedge fund — which promptly went broke. People object to counterfeit bluejeans with a Levis label slapped on, since they put the fake clothiers beneath them, but don't object to a counterfeit prize in economics, since they put rich, deceitful bankers above them.

The Anti-Henry George Economists

The Robber Barons, who owned oil fields and railroads, and the prestigious universities, which owned and leased land in cities and the country, financed the US's first economics departments, graduate schools and chairs in economics. Accepting the funds, professors wrote land out of the economics discipline. The field has been dysfunctional ever since.

To discredit Pittsburgh's success with shifting its property tax even further landward in the 1980s, the local real estate lobby paid for a report in economese whose conclusion dissed the tax on land value but whose main body acknowledged that it had worked.

After the Iron Curtain fell, Russian economists organizing a conference on the third way invited American economists over to tell them about geonomics and the Yanks accepted. However, after a call from the US State Department, they all changed their minds and said if ever questioned by the press, they would deny having been pressured.

Terminating with Extreme Prejudice

The first French Republic, enthralled by physiocracy, funded itself with land rent. But the cost of defending themselves against the allied monarchs of Europe swayed the leaders to add taxes on labor and capital. The Empire lost the Republic, and its land tax.

The first president of Argentina, Bernardino Rivadavia, who was an advocate of physiocracy, shifted the nation's taxes landward. The army booted him out of office for his efforts. Later, they let the popular leader back in, but he didn't try tax reform again.

After their revolution, Mexicans elected Francisco I. Madero president. Madero promoted the shift of taxes landward. An army faction supplied by the US assassinated him.

In England, the last act of political power by the House of Lords was to vote against the land tax in Lloyd George's budget. To vote that day, noblemen were wheeled in from their castles that make up the Looney Belt surrounding London, the homes of mentally feeble dukes and earls enfeebled by so many generations of interbreeding. The Lord's victory was temporary, but before the reform could be implemented, Britain plunged into war against Germany. Backers agreed to hold off making any major changes that might destabilize the war effort.

In Russia, after their revolution against the landholders and their czar, the first president of the provisional government was the democrat Kerensky whose intended reforms included the shift of taxes landward. To avoid being assassinated, he fled the country.

In Spain, Gen. Franco killed more people after the Civil War than were killed in the war. On his death list were the physiocrats and Georgists who might've been able to make a difference in a city like Barcelona, where other radicals had enjoyed success.

Mahatma Gandhi supposedly said, "First they ignore you, then they ridicule you, then they fight you, then you win." Some days it seems they're back to ignoring "rent" reformers. But maybe, after the fights above, it's time for geonomics to win.