

The ultimate tragedy?

THIS BOOK brings together over 45 essays by one of the "founders" of the post-World War II "liberation movement" in the United States.

Calling himself an individualist and a radical (he objected to being labelled a conservative), Chodorov's first and major source of inspiration was Henry George, the American social economist who advocated a single tax on land values.

As editor Charles H. Hamilton points out, George's *Progress and Poverty* "was to give him a *Weltanschauung* that influenced all his writings."

In addition to serving as director of the Henry George School of Social Science in New York from 1937 to 1942, Chodorov had earlier been involved with the political wing of the Georgist movement, the Single Tax Party. The failure of political action, and the influence of Albert Jay Nock who "believed in the single tax but didn't advocate it", led Chodorov to embrace education as the way to change society. "There cannot be a 'good' society until there are 'good' men."

Running throughout *Fugitive Essays*, which are culled mainly from his post-W.W. II writings for *Human Events* and his own journal *Analysis*, is the classical economic analysis of Henry George: that labour employs capital on land to produce wealth; and that when land is monopolised, labourers cannot employ themselves and must accept low wages.

Coupled with this is the anti-State position of Nock who was in turn inspired by *The State* by the German sociologist Franz Oppenheimer.

According to Oppenheimer, there are only two ways of acquiring wealth: to produce and exchange it with other producers – or to steal it from those who do produce it.

● The first, the "economic means", is the way of free people with access to land and a free market.

● The second, the "political means", is the way of the State, which has its origins in conquest and is the organisation of privileged classes to maintain and extend this exploitation of the producers of wealth.

Protecting the monopolisation of land (natural resources and valuable sites) is the chief business of the State, along with upholding subsidiary monopolies in other areas such as trade and finance. This, and not the free play of a genuine free market (which has yet to be tried), is the cause of what is often referred to as the capitalist exploitation of labour, according to Chodorov.

FOR CHODOROV & Co., however, this analysis was no-call to violent revolution, nor ever to reform within the existing political structure. If the State is

BOOK REVIEW

By Mark A. Sullivan

Fugitive Essays: Selected Writings Of Frank Chodorov; Edited, with an Introduction by Charles H. Hamilton. Indianapolis, Liberty Press, hardcover \$9.00, softcover \$4.00.

the prime evil, as he argues in nearly every one of his *Fugitive Essays*, the solution lies in abolishing the State – not in using it to correct maladies it has itself generated.

Thus Chodorov advocated education and non-participation (especially not voting) in government. Eventually, he hoped, people would come to know their rights as natural and innate, not granted by the State, and would refuse to support it by refusing to pay taxes.

Taxation is the root of all evil, Chodorov argued, because it robs producers who have a natural right to keep what they produce, and because it is used to support a system of State-granted privileges which also rob producers.

Trace an injustice to its cause and you will find another injustice. The burgeoning community which necessitates better streets, a sanitation department, traffic policemen, a park for the children, and so on, brings about an economic betterment which, peculiarly enough, does not accrue to the population as a whole... Competition between bankers and storekeepers for the use of... sites has greatly enhanced their value. This value arises not from the services rendered by these entrepreneurs but from the presence of the population they serve.

It would seem logical that this value – which we call land rent – should go to defray the expenses of these common services. However, under our prevailing land-tenure system, this economic increment accrues to the erstwhile farmer who holds title to the sites, or maybe to the banker who holds a mortgage on them. The economic betterment which the community as a whole creates is diverted to individuals who return nothing for it to the general fund of wealth. This is the injustice which fosters the injustice of taxation.

When we examine privileges, we find that they are economic advantages granted by the political power, and political power is born in and thrives on taxation. If taxation were abolished... the cost of maintaining the necessary social services of a community would fall on rent... and the privilege of collecting rent would vanish.

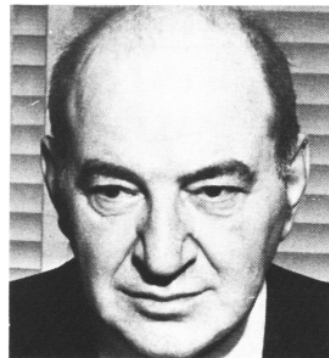
Along with the privilege of pocketing land rent, which "is income for which no service to society is rendered, and is

collectible only because the State makes it possible", all other monopoly privileges which exploit and discourage production would fall with the abolition of taxation which feeds the privilege-granting apparatus of the State.

For Chodorov, the solution to all political and economic problems, including fundamental ones of war and peace, lies with society and not the State.

Echoing fellow radical Randolph Bourne, who wrote "War is the health of the State", Chodorov's solution to the problem of war is the same as his solution to that of the State: abolish all taxes and special privileges, allow genuine free trade to flourish and bring societies closer together.

CHODOROV'S staunch anti-war stance led him into not a few conflicts during his career, as Hamilton points out in his biographical Introduction. He alienated many fellow Georgists for his isolationist position during the Second World War, and later conservative associates whose anti-communism began to take precedence over their claimed anti-Statism.



● Frank Chodorov

Convinced that the anti-communism hysteria of the '50s would lead to a militarisation, bureaucratisation and, ironically, "communisation" of America, Chodorov always argued in defence of the communists' "right to be wrong." He opposed, in several essays, military conscription and the deploying of U.S. troops to sundry parts of the world to suppress Marxism. Bad ideas could be fought only with better ideas and he added, according to Hamilton, that "in advocating interventionism against international communism, one was advocating killing people. That usually meant conquest and imperialism."

Needless to say, Chodorov's influence upon the rising conservative movement in the U.S. was negligible, as can be seen by the performance of the current conservative government in power in Washington. While administration policy-makers always tend to view their function to be to

keep the system working, they beg the question: working for whom?

In the 400-plus pages that comprise *Fugitive Essays*, Frank Chodorov repeatedly asks: Should our economic system work for the benefit of those who produce the wealth, or should the wealth be syphoned off via taxation, rent, and other monopoly exactions upheld in the final analysis by the force of the State, causing gross inequalities, poverty, and eventually war?

The relevance of this question to the problems of the so-called Third World are apparent. That the players in world politics have not got beyond their pro- or anti-communism, to see the real problems involved and the possible solutions, as Frank Chodorov was able to, may be the ultimate tragedy of our time.

One can also suspect that ideological warfare masks real vested interests of power-brokers and privileged monopolists, similar to the ones Frank Chodorov so well took to task in *Fugitive Essays*.

Welcome to newcomers

NEW JOURNALS specialising in real estate have been launched, writes Paul Knight.

They are published by commercial organisations, which presumably detect a substantial market reaching beyond the narrow fields of academia and the professions.

● In the U.S.A., Jai Press has launched an annual series called *Research in Real Estate*, including articles on the influence of school busing on house values, and the determinants of commercial property prices.

The first two volumes are reviewed in the *Journal of Regional Science* (Vol. 23, 1983, pp. 429-430).

● In Britain, two journals were launched in January. *Land Development Studies* is published by E. and F. N. Spon, and edited by Dr. Ashley Dabson. Articles this year will deal with subjects ranging from the pattern of land use in Sydney, Australia, to property finance in the U.K.; the office development cycle in London, and the ownership of vacant land by public agencies.



● Dr. Ashley Dabson

Butterworth Scientific have published *Land Use Policy* under the editorship of Dr. Michael Brett-Crowther. The first issue covered subjects such as land and water use in India, irrigation in Nigeria, U.K. land policies and the political parties.

Land and Liberty, which celebrates its 90th birthday this year, welcomes these newcomers!

Enough for all!

Sir: America needs to grow more food? With all our food gluts? Even if the surplus were given away to hungry people, there would still be tons left over.

A businessman's definition of a healthy economy – ever-accelerating growth – is a doctor's definition of a killing cancer. We need to grow in quality, not quantity: in this case, organic food that is distributed on a rational basis.

Distribution – not production – is America's problem. I am reminded of pet cats that kill wild birds without a thought of eating them. We, too, have lost sight of our objective – sufficiency, not gluttony.

Thorough distribution of goods is attainable through the system of taxing site values only. By freeing trade, stimulating urban renewal, and dividing monopolies into human-scale enterprises, we open opportunities and raise income. Everyone could then afford enough food.

By making resources precious to developers, too, and by returning unearned income to the community, we put a premium on efficiency. Conservation becomes cost-effective; technological advancement is not hindered by monopolisers who profit from waste. Such mechanisation further shrinks the work-week, liberating us from labour.

When efficiency – getting more from less – is our goal, then our economic perspective expands into an ecological worldview. We see that the competing interests are not Man vs. Nature, but this generation of this species versus present and future generations of all species.

Apparently unrelated problems of farmland erosion, pollution, inflation, crop maldistribution and menial labour are curable by land taxation. We need not sacrifice tidewater marshes or steep hillsides, both crucial components in the larger food chain. Nor need we deny our playful human nature, as crucial to our happiness as material well-being.

We need not relinquish the green component of Henry George's thought. (Many of his quotes endorse stewardship and innate "laziness".) Nor need we write off the large and growing environmental movement as potential supporters. We need to feed off each other and grow together – to Land and Liberty for all life.

Jeffrey J. Smith
Branch President,
Friends of the Earth,
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U.S.A.

Money spinner

ROBERT G. Allen's *Creating Wealth* (Simon & Schuster, \$15.95) spent 28 weeks in the *New York Times*' list of best sellers last year. The book is described as "Making money in real estate".

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LETTERS TO THE EDITOR

Sir: I'd like to correct the date of publication of *Rational Expectations* by Steven M. Sheffrin (cited in my article in the Nov.-Dec. issue). The date is 1983, not 1933. The theory of rational expectations was formulated in 1961 by John Muth. That is still before 1969.

In my article, I speculated whether the term "rising expectations" gained currency in the 1970s due to an article I wrote for *Land and Liberty* in 1969, having discovered the term in an obscure article by Lord Macaulay. This question is still open.

Neither Lord Macaulay nor I invented the word "expectations", but I noticed the term "rising expectations" much used in the 1970s (and then "falling expectations"). I am still interested in learning whether the term was used, say, in the 1960s.

Robert Clancy,
New York, U.S.A.

Sir: There is a not insignificant factor which seems to have been ignored in articles on economics. It is the change over from full employment conditions to unemployment conditions.

Full employment stimulates the demand for labour so that higher wages result and a maximum market (economic demand) exists in which to sell the results of production. Hence a greater proportion of industry's income goes to reward for labour and all labour participates.

Unemployment causes the reduction of wages, as the pool of unemployed can be drawn on at lower rates. This reduces the overall economic demand by those two factors – a reduced number in employment and a reduced share of industry's income.

The standard of living can increase under the former condition, while it decreases under unemployment. The example of Singapore is one of the former class, while India is an extreme example of the latter.

There are various conditions which arise which can change one situation into that of the other, and economic models should contain the facility to change the 'drive' direction mentioned previously. One of these conditions is that of the introduction of automation.

As automation is introduced under full employment, labour moves to other vacant situations, but this reduces the number available and even potential numbers of vacancies, and a point will come when all vacant positions are filled, at which time the 'drive' on increase of wages changes direction and the standard of living commences to fall, instead of increasing. The market contracts and the 'slide' sets in.

The withholding of land from the market, taking advantage of the increased standard of living with its increased demand for land, as described in your articles, is another cause of this type of reversal. Could there not be others?

H. Holloway,
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S. India.