

Ideas 'feud' blocks progress

A SURVEY of the work by the Georgist movement has been financed by the Henry George School of New York.

The School earmarked \$25,000 to hire a consultant to assess its fund-raising potential. Walter Plotch Associates, Inc., undertook an extensive survey of opinions among leading activists in the United States. Its findings are distilled in "A Fund-Raising Planning Study prepared for the Henry George School".

The School trustees, in seeking new funds to expand activities, wanted a professional assessment of what supporters felt about its record. Interviews were carried out with members of the School's board and staff and other Georgist activists. Fifty-eight interviews were completed. Five of the respondents were people who knew little or nothing about the Georgist movement or the School. This still meant that a substantial proportion of the active Georgists on the east coast of the US were approached. Their views can therefore be treated as representative.

The overall purpose was to discover why prospective donors might support the School. In its summary the Plotch report lists the priorities of respondents in descending order:

- National research: 27
- Adult education programmes: 18
- Social Science Forum: 12
- Secondary education: 8
- Local research: 7
- Building expansion: 5

This reveals that 50% of Georgists supported activity at the national level, compared with 14% who emphasised local-level activity.

Plotch discovered that there was little ideological consensus among a large cross section of the leading Georgist activists in the United States. "Most do not have a concrete view of how George's ideas would be applied to social questions, and

ideological matters, co-operation in the movement is limited and controversy, according to almost all Georgist respondents, is endless. Georgists who think that the single tax will solve all problems are described as having a "millennial mind set... of thinking in terms of quantum change." Going beyond this group, many observers believe that the movement is essentially 'religious'. One

SOME of the Plotch report respondents claimed that the single tax was of limited use as a solution to current problems. Others believed that Henry George's analysis still made sense, but that a single tax on the rent of land could not now meet the revenue needs of the US.

Issues such as these could have been resolved by the research that began when Wall Street analyst Dr. Michael Hudson joined the School faculty on a two-year contract. Dr. Hudson began the work to develop a computer model of the US economy which exposed the true share of rental income in the national accounts. Armed with such data it becomes easier to offer convincing explanations about why land speculation and related anti-social activity in the land market can disrupt the industrial economy.

According to the Plotch report: "Until recently, the School relied on limited anecdotal information to substantiate Henry George's treatment of political economy. With dramatic improvement in computer technology and the reduced cost of gathering and storing large quantities of data, HGS is building its own macro-economic forecasting capability. Indeed, the School will soon publish a report on the US economy, containing a national land market component".

That report will not now be available. For despite the powerful support among rank-and-file Georgist activists for this research, Dr. Hudson's work was terminated by the School at the end of his first year.

Dr. Hudson has spent his working life analysing the flow of funds internationally for work performed under contract for some of the leading financial institutions on Wall Street. Dr. Hudson has worked as an economic advisor to US, Canadian and Mexican government agencies and to the UN Institute for Training and Research. He is author of a two-volume study on *Trade, Development and Foreign Debt* (London: Pluto Press, 1992). He is currently working on a major book on privatisation and is co-author of *A Philosophy for a Fair Society* (London: Shephard-Walwyn, 1994).

Dr. Hudson is currently collaborating with US and Russian scholars to lay bare the origins of land privatisation in Mesopotamia during the Bronze Age.

HGS board member agrees; he says, "its (*sic*) like a religion to me." But respondents worry about this. One observes that "we're more interested in theological disputation than in building a church." Another says "we're like Christianity shortly after being founded... a strange hodge-podge of views..." Still others say, "with this approach, we're anti-intellectual and anti-practical..." or "we're 'doomed to continue to be fragmented and keep on feuding...'"

There was what Plotch calls "a sizeable majority of the Movement's

indeed only a handful of the respondents have thought in depth about these issues. For example, there is no agreement about whether the environmental movement would be hurt or helped by Georgism (or how the Movement would answer the questions of environmental leaders) or where and how, logically, Georgist ideas should impact on various interests, pressure or political groups." As most Georgists sharply disagree on these

respondents" who "vehemently oppose the HGS Board's practice of compensating certain board members for the services which they provide to the School".

The Plotch report was received at a meeting of the board. Many of the respondents were reported to have been critical of the School's board. "Long time observers say 'there is too much acrimony' or 'there is a lack of careful programme planning and evaluation,' and

3 OPEN FORUM

'an unimaginative, conservative orientation'. The directors decided that the consultant's services would be terminated before they went on to try and raise funds for the School.

The School's programme that received the highest level of approval was what is called National Research. This was being conducted by Dr. Michael Hudson who was on a two year contract. For twenty-seven of the fifty-five respondents a programme to develop a comprehensive data base and macro-economic model using Georgist approaches was a number one priority. "To most of them, developing this capability at the School far exceeds the importance of any of the School's other initiatives, including its adult education programme," reported Plotch. The board at its meeting decided to terminate Dr. Hudson's work halfway through his two year contract.

THE most high profile work among Georgists in the US is the two-rate property tax campaign by Dr. Steven Cord, a member of the School board who has successfully persuaded a string of small Pennsylvanian cities to alter the structure of their property tax. But according to Plotch, support for the expansion of Dr. Cord's research and consulting work to include New York City and other localities was mixed.

Seven of the fifty-five respondents were enthusiastic, but "a very large number mark it as a low priority". While Dr. Cord's supporters saw his work as "laboratories for change" many opponents saw this work "as a strategic error, preferring to see money invested in national research and dissemination efforts, national education change or national political action".

The lukewarm attitude to Dr. Cord's work among most respondents was summarised by the observation that "it's a diversion from a national, single tax". The School has provided annual cash support to Dr. Cord's Centre for The Study of Economics since 1985.

PLOTCH concluded that "the movement is at odds with itself... Despite these acrimonious divisions, there is a desire on the part of most interviewees to help

reshape the Movement and to assist the School if possible".

But the desire to help would not be acted upon by a "significant number of otherwise sympathetic respondents as long as lifetime board tenure and the practice of compensating certain board members continues. These governance issues are strongly felt and will not go away".

Plotch found that fifty per cent of the board members interviewed would not assist in raising funds for the School. The possible offer of financial gifts from board members "are not large enough to sustain a successful multi-million dollar campaign effort". Two respondents said they might consider making gifts in excess of

\$100,000 to the School, but almost all of the possible gifts mentioned depended on modifications to the School's policies.

Plotch recommended that the School should create an Ad Hoc Planning Committee to consider the suggestions and needs of prospective donors. After successfully completing the recommended action, the School should consider authorising an intensive campaign to raise \$1.5m. But the consultants had no doubt that some tough issues would first have to be confronted: "These issues go to the heart of the School and the Movement's future, indeed, their very survival".

FRED HARRISON

IT'S TIME FOR GLOBAL CO-OPERATION!

Dr. John Loveless, chairman of the Henry George Foundation of GB, has mailed an appeal to the leaders of Georgist organisations around the world:

AT A MEETING on August 29 at the Henry George Foundation of America attended by Steven Cord and Josh Vincent of the HGFA, Hanno Beck of the Banneker Center and John Loveless of the Henry George Foundation of GB, Dr. Loveless posed the question: How would or could the international Georgist movement make even the most trivial policy decision?

The answer, it was agreed, is that there is no procedure for determining policy. The international Georgist movement *has no way to make even the most trivial decisions* that could help to co-ordinate its efforts, to avoid duplication and to improve its image and efficiency.

By way of example it was proposed by Dr. Loveless that HGF (GB) would in future use the 1871 portrait of Henry George (as shown on the front of the recent Robert Schalkenbach Foundation catalogue) as the 'preferred' image of Henry George. Would HGFA also agree to use this as the 'preferred' image? Yes, they would. Great, a bilateral agreement is a good start, but there are dozens of other Georgist organisations out there!

What the Georgist movement desperately needs is a professional centre from which other 'branches' would take

their lead, but how can we persuade the various Georgist leaders to cede just a small part of the right to manage their own little empires? Unless we can organise ourselves better with a recognisable centre we will remain a poor quality, poorly prepared, insignificant group. But if we can organise ourselves a bit better we will surely win before long.

The HGF of America and the HGF of Great Britain have agreed to co-operate to help to improve the quality, unity and image of the Georgist movement. May we invite the HGFs of Canada, Australia, Denmark, Korea, Russia etc. to align themselves with us for this purpose by also agreeing to use the 1871 picture of HG as the 'preferred' image of HG? Further beneficial co-operative agreements might follow. For example, Imran Khan is trying to set up a new Justice Movement in Pakistan. If he were to receive a letter of encouragement signed by 10 or 12 heads of HGFs from some of the major countries of the world, or from a similar grouping of Progressive movements, enclosing some introductory material he might just absorb some of our thinking. The same formula could be used again and again with other prominent progressive individuals who have shown that they understand the need for something better than capitalism or socialism.

Please discuss these matters with your managing body.