

WHEN YOU are on your death bed, your last words are accorded some respect. The beneficiaries of your will, for a start, are most anxious to hear the distilled wisdom of the benefactor.

When that benefactor is Leo Tolstoy, one of the greatest artists ever, you would think that the world would pause to listen and reflect.

And what were Tolstoy's last words? He rode on a train to his death, while fleeing from a wife who apparently hated him. On that train, he could have slumped back in anonymity, exhausted by a lifetime's creative endeavours, making peace with his maker.

Far from it. He announced to passengers in his carriage that he was Leo Tolstoy, and he proceeded to instruct them on the virtues of a fiscal policy articulated by an American social reformer, Henry George.

The policy was a simple one: a tax on the value of land. This tax, while efficient at raising revenue, had a moral significance for Tolstoy. It was the mechanism for abolishing an evil: the private exploitation of the resources of nature, which ought to be – which were – the property of all.

Right to the end, according to the latest biography<sup>1</sup>, the wizened old man with the matted beard insisted on spreading the gospel according to Henry George.

THIS WAS one of the rich legacies that the writer sought to leave mankind.

No-one denies that Tolstoy was a perceptive observer of society and psychology. His major works of fiction are suffused with the dramas of the 19th century, which symbolically represented age old actions (such as wars) and human strengths and frailties (such as jealousy and courage).

Today, universities provide ample scope for Ph.D dissertations on the artistic merits of the novels, and lecturers build their reputations by spreading knowledge about the works of the Master.

And yet Tolstoy committed the last half of his life to the facts of life. He swapped the role of the artist for the even more



• Henry George

# Tolstoy's Georgist gospel

HE TOOK IT TO  
THE GRAVE,  
says  
FRED HARRISON

demanding mantle of the social reformer.

He was disgusted by the immiseration of the peasants, but could not see a practical solution until he received copies of *Progress and Poverty*<sup>2</sup> and the other works by his contemporary in the United States.

These books, according to his

own testimony, removed the scales from his eyes. Now he could see that a simple tax would release the energies of workers and banish poverty; open the gates to freedom, and diminish the power of tyrants who used ignorance to exploit the masses.

*If people did not wish to believe Henry George, why should they not at least accord respect to the words of Leo Tolstoy on his death bed?*

It did not suit the revolutionaries and anarchists to accord credence to Tolstoy's legacy: that would have endangered their plans for the Czar.

We have to presume that Lenin could see (as Karl Marx saw) that abolition of the mon-

1. A.N. Wilson, *Tolstoy*, London: Hamish Hamilton, 1988, £16.95, p.510.

2. New York: Robert Schalkenbach Foundation, 1979.

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opoly power based on the private ownership of land would have removed the need for the socialisation of capital.

So Lenin "contained" Tolstoy. He did this by praising the man as a poet and patronisingly dismissing him as a social thinker and reformer. That disgraceful treatment set the tone for all the biographies and literary critiques that followed throughout this century.

Leo Nikolayevich Tolstoy, we are invited to believe, strayed from the straight and narrow when he became a proselytiser for the American writer who was stirring the minds of men around the globe, from San Francisco to New York, from Edinburgh to Dublin and on to Sydney and the outback of Australia.

THE latest biography repeats the shallow assessment of Tolstoy's commitment to the land tax.

A.N. Wilson dismisses this dimension to his subject's life with a few glib phrases and pronouncements.

For example, Wilson - knowing that Tolstoy was a libertarian, who hated authoritarian governments - believes he can fault the writer by pointing out that a tax on land values implies the need for the State with machinery to administer the policy.

Not content with noting what he alleges is a contradiction in

Tolstoy's "muddled political thinking," Wilson proceeds to distort the structure of the State that would be required if the land tax were adopted.

For land taxers, the minimalist State is acceptable and sufficient to enable a free people to go about their affairs untrained by authoritarian politicians or interfering monopolists who prefer a rigged market which favours an easy life and large profits.

For Mr Wilson, however, Tolstoy's policy implies "an all-powerful state," which was "understandably discarded".

Proceeding in this negative vein, Wilson notes: "Lenin, watching from abroad, was completely fascinated by the 'really glaring' contradictions in Tolstoy's works, ideas and teachings. Lenin was chiefly struck by the contradictions between the incomparable artist and the 'landowner obsessed by Christ'. He was unimpressed by the 'worn-out sniveller' who beat his breast and boasted to the world that he now lived on rice cutlets."

And so the process of assassinating his character and discrediting his philosophy proceeds apace.

Tolstoy thought he had broken away from the world of fiction, after being exposed to the insights offered by Henry George. Now, he thought, he could really contribute something to the labourers who eked out a mean living from the soil as tenants on the vast estates of the corrupt aristocracy that controlled Russia.

He was wrong. His biographers have chained him to the world of fiction. They will not allow him to break out into the real world, where the level of rents ensured the permanent pauperisation of a large part of the population.

Why, pronounced Wilson,

## MIGHTY

**A LONG FELT need for a comprehensive encyclopedia on economics has been answered with *The New Palgrave*.\*** This ambitious project in four big volumes is accompanied by an ambitious price (£450, \$600). The opus contains over 4,000 double-column pages with contributions by nearly 1,000 economists.

This work, though calling itself a dictionary, is indeed encyclopedic in scope. Its forerunner, *Dictionary of Political Economy*, edited by R.H. Inglis Palgrave, first appeared in the 1890's; it was a somewhat smaller work in three volumes and was rooted in a classical approach.

What about *The New Palgrave*? Economist Mark Blaug, though one of its contributors, wrote a short book criticizing it, *Economics Through the Looking Glass*, contending that it has a "distorted perspective." His main critique is that it blows up out of all proportion an obscure economist, Piero Sraffa, who developed an obscure theory of value.

In his economics, given an assumed wage-rate and production technology, we may derive all relative prices without reference to demand. This is developed through a series of complex equations. Sraffian theory may have a few dozen followers throughout the world, but Blaug finds that it dominates the Palgrave. Neoclassical economics, which is the mainstream, is short-changed, he contends.

Mark Blaug claims to be "one of the few people in the world to have read each of the four volumes of *The New Palgrave*

even "Tolstoy's later diaries are stupendously tedious, full of the usual old reflections about Henry George's land tax..."

There is a conspiracy to



• Tolstoy and Maxim Gorky

# UNFAIR TO THE MAESTRO

BOB CLANCY looks at an outsize economics 'bible'

from cover to cover," and this is his conclusion. I confess to having only browsed through it, but even so, I frequently came across references to "Sraffian theory."

Of what significance is this? Sraffian theory bolsters Marxian theory, says Blaug, to which the editors are quite partial. Eliminating demand, the way is open to calculating a perfect planned production without any reference to the vagaries of consumer demand.

Blaug's corollary criticism is that the editors' bias is toward "mid-air economics" with little relation to economic actualities. "Empirical evidence" is deemed unworthy of attention in Sraffian economics (one is reminded of Marx's castigation of "vulgar economics" which paid too much attention to facts).

Ordinary people are overlooked (Marx's "lumpen-proletariat"?) in favor of economic theoreticians talking to one another from mountain peak to mathematical mountain peak. Blaug notes the omission of many topics relevant to economic life. The editors themselves say they have omitted certain topics in the old Palgrave as being "only remotely connected to economics." One is "land tenure systems". Too down to earth?

Of course, in a work of this magnitude, one will find a wide range of topics, and Blaug admits there is "gold amidst the dross." One will find much information about many things; for instance, there are articles on 700 economists.

Apart from Sraffian econ-

omics, I noticed some things, especially in comparing the old Palgrave with the new. In the old one, "*laissez faire*" is given several pages, both with reference to its theory and its practice (classical respect). The new Palgrave gives it less than a page and only with reference to the origin of the phrase (Sraffian/Marxian disdain).

It is agreed in the old and the new ones that it originated in a reply by the businessman Legendre to the question put by Louis XIV's minister Colbert, "What can we do to help business?" The reply: "*Laissez-nous faire*."

Neither article translates the phrase and the inference is that it means "Let us alone." Both favorable and unfavorable reactions accept this interpretation. But Legendre's phrase literally means "Let us do," which raises a whole different spectrum of meaning.

It could mean, "Make straight the ways. Create the conditions that will enable us to perform effectively with a minimum of obstacles." This is what Henry George meant when he spoke of "true *laissez-faire*."

As for Henry George, we must note an improvement in the new Palgrave over the old. George is not given an entry at

all in the old one, but has a page in the new one. This is far less than the 15 pages given to Adam Smith and the 21 pages given to Karl Marx and his economics, to say nothing of the numerous Marxian articles throughout the volumes. George gets a little bit more via articles on the single tax and land tax, about one page each. All three are by Mason Gaffney and are reliable guides.

The old Palgrave does have an article on "single tax." After giving a fair account of it - the abolition of all taxes save that upon land values - and the reasons given for it, the article concludes with a jolting sentence: "Economic prosperity could not survive the carrying out of the proposal, as the mainspring of individual energy would be broken."

Just like that! No explanation, no argumentation, no demonstration - especially curious, since the single tax claims exactly to release the mainspring of individual energy. So Palgrave has come some way, if not a long way or all the way.

Gaffney's article on the single tax traces the roots of the idea to the Physiocrats and the classical economists such as Smith, Ricardo and Mill. This places it in its proper context instead of writing it off as an eccentric tax proposal.

George also wrote on production and distribution, business cycles, free trade, ethics and economics, value theory, and many other broad topics. May we hope that the Palgrave of the 21st century will take note of all this and provide more generous coverage?

\* *The New Palgrave: A Dictionary of Economics*. Edited by John Eatwell, Murray Milgate and Peter Newman. Macmillan Press, London; the Stockton Press, New York; and Maruzen Co. Ltd., Tokyo. 1987.

ensure that the Master's reflections on the real world remain indecently buried with this body.

That conspiracy is based on ignorance: this is the most

benign interpretation we can offer for what is a discreditable attempt to deny to the new generations of readers' access to the wisdom that underpins the

philosophy of one of the greatest modern artists.

The world continues to pay the price for failing to listen to the last words of the Master.