

CHAPTER 17

IN THE 1970s

During the 1960s the Henry George movement had been inching along toward less dogmatism and greater contact with the outside world. Georgist leaders, overcoming their earlier distaste for "planners," solicited the good will of these very people whom formerly they had wished to instruct that Natural Law made planning unnecessary, and approached them along with other civic leaders via plausibly-written brochures and occasional mutual conferences.

Meanwhile an intramural storm was brewing. In late 1968, upon the retirement of the School's nonagenarian Californian president, Joseph Thompson, the presidency had fallen to Arnold Weinstein, a New York attorney and former School trustee. It soon was clear that he had been mandated to give the institution a new look. According to rumor it was Raymond Moley, executive head of the Lincoln Foundation which held the School's chief purse strings who, dissatisfied with the lack of progress, had ordered this.

Heads began to fall with various degrees of finesse. School directors in various branches across the country were dismissed; longtime teachers found themselves "on leave of absence" or retired. Even receptionists weren't immune: two outspoken sisters who long had been considered part of "the Georgist family" were replaced by smiling, office-girl types. The Coffee Shop in New York no longer welcomed strangers off the street, and the cozy, somewhat irrelevant entertainment

of the "Fridays at Eight" was ended. The editor of the *Henry George News*, Alice Davis, was retired and this monthly sheet, losing its well-written folksy character, became less of a house organ, but also less colorful.

Many of these changes were merely cosmetic, others more substantial. The instructors were broader in their economic opinions, and the actual reading of *Progress and Poverty* was not considered indispensable. Some guest professors gave lectures on urban problems, social philosophies and the like that had little directly to do with George's teaching.

"The Henry George School has gone off its trolley," mildly remarked the ousted New York director, Robert Clancy, who promptly founded a traditionally minded organization of his own, the Henry George Institute. Other directors who had been relieved of their posts asked the Henry George Foundation of Pennsylvania to lead the movement and sponsor the summer conferences, which for two years it did. Later the Lincoln Foundation dropped its financial support of the school, which freed the latter to go its own way with no strings attached; and a tax expert surprisingly belonging to the Liberal Party, Philip Finkelstein, was made director of School headquarters in New York.

Probably the most significant change was that the reading of *P & P* was no longer considered all-important (though previously it had not been absolutely mandatory). Instructors now used it wholly, partly or not at all, as they chose.

For instance, one way of giving the basic course was the method worked out by Dr. F., an historian and businessman. He used an abridged paperback of *P & P*, assigning readings not necessarily in the order found in the book.

Emphasis was on George's general philosophy rather than on his specific economic scheme. The readings were supplemented with citations from historians such as Vernon Parrington, Charles Beard, Eric Goldman, and from past public figures. George's thought was placed in historic context: he lived at a time when land speculation was at a peak due to railroad expansion; and when his ideas had an alluring sim-

plicity of appeal to newly-organized Labor. Previous condemners of private property in land (Moses, Jefferson, Tolstoi) were alluded to, but it was pointed out that George was the first economist to expound a direct connection between this institution and social ills.

When it came to the lessons on "the law of wages" and the "law of rent," these were gone through dutifully but casually; Dr. F. had no comment on "the all-devouring rent thesis." He did, however, firmly agree that private profit from land was a great factor in economic dislocation, and he felt that George in theory was right to oppose any compensation to landowners.

Some current topics were brought in: that broadcasting channels are a natural resource which should not be abused for profit; that the same goes for many enterprises, such as the lumber industry, which in ripping up trees has impeded future growth.

The class was small, congenial, enjoyable, taking place in a wood-panelled lounge with coffee at hand. Discussions were always welcome. When one student objected that George exaggerated land as the cause of poverty, and another said he neglected the merits of ability-to-pay taxation, Dr. F. concurred with an unexpected definiteness:

"Yes, George had some blinders on, he is polemic, he overdoes it. He was a wonderful person and a wonderful economist, but he takes positions and does not admit of any other possibilities." This significant comment was a far cry from the total acceptance of *P & P* shown by School instructors a decade earlier.

The focus of the course was on George's place in history, his prophetic gifts, the beauty of his thought and prose, the essential rightness of his ideas about land. But there was no attempt to assay specifically what might be mistaken in *Progress and Poverty*.

It is uncertain what meaning these educational changes have had for the movement, or whether George's proposal through legislative action has been gaining in acceptance to any degree.

To take the educational picture first. The School has ob-

viously become less doctrinaire in its teachings. The frequent discarding of *P & P* as required text has led to a less rigid interpretation of the theory, and the recruitment of more teachers outside the pool of Georgist graduates tends toward the same liberalization of outlook. No longer are students gently led to insist that "wages are determined by the rent line," that land monopoly is the chief cause of poverty, and certainly not that the land tax should be the sole one.

But these are negative virtues. It is difficult to determine just what has been substituted in place of the old clear-cut teaching. When *P & P* in the past was adhered to almost literally, it was taken for granted that what it taught, allowing perhaps for a little overemphasis here and there, was fundamentally irreproachable. When the book is not used, however, the students are given an unfocussed assortment of messages: that land monopoly is unfair and discourages production; the desirability of shifting the tax from buildings to land; the importance of "freedom," and so on. Even when *P & P* itself is used—much less literally and without the Teachers' Manual—there is no real objective analysis of it: no evaluation of where George might have been partly wrong, or might not have expressed himself fully in his presentation of the laws of distribution which was the core of his theory.

The School has often wondered if its *methods* are at fault, but this is not the case. Actually it has done well in conveying what it has to offer in imaginative and quite effective ways. But the basic *substance* of what is taught remains insufficiently examined. As a consequence, its graduates do not discern a proposal of such clearly significant applicability to present conditions as to attract them in any great numbers to this cause.

To its legislative achievements the movement has added a little more land value taxation in Pennsylvania. As a result of Georgist pressure in this state, Harrisburg adopted the differential tax in 1978, and in 1979 Pittsburgh doubled the percentage of the tax to be laid on land. In the latter case, the increased land-revenue was applied not to the relief of building taxes, but to forestalling a proposed increase in payroll taxes: a significant change, though not heralded as such in the Georgist press.

When it comes to wider legislation, however, there is nothing in the 1970s except those changes in Pennsylvania. In state after state Georgists have mounted efforts for this municipal tax-shift, and report with enthusiasm any attention to their efforts. In view of the number of endorsements they constantly receive—Ralph Nader has been “listening to” Georgists, Senator Muskie has “considered” land value taxation, this mayor and that councilman thinks it an excellent idea—the paucity of actual accomplishment suggests that most legislators simply don’t deem the proposal important.¹

The top Georgist leadership is still predominantly conservative. The president of the School is a representative of Mobil Oil, with the anti-government stance typical of such a position. The new head of the Schalkenbach (its broad-minded executive secretary, V.G. Peterson, having retired in 1976) sends out letters which in their anti-tax, free-enterprise urgency might belong to the literature of the Conservative Party.

On the other hand, the School’s director in New York is a liberal, as are some Georgist officials in California. In both places measures other than LVT have sometimes been advocated by them, such as the public leasing of city land under certain circumstances.

The annual summer conferences proceed with a few differences from the last decade. The participants’ average age is slightly younger, though it is still a middle-aged group. There are virtually no longer any cranks in the audience, and the atmosphere is a little less “Georgist,” with more unaffiliated speakers.

In 1979 a week-long conference took place at a hotel in San Francisco to celebrate the Centennial of *Progress and Poverty*, written in that city. Over two hundred and fifty people attended, including delegates from eleven countries, preponderantly British Commonwealth nations. The sessions were chaired with verve and considerable wit by two young men of the host School.

The program announced one hundred lectures or panel discussions, to be presented by Georgists and the usual outsiders:

local civic leaders, professors with an interest in the movement, an occasional student working for a Ph.D. Typical titles were: *An Ethical Order*, *Site Value Rating in South Africa*, *Should Small Business Support Land Value Taxation*, *Communicating the Georgist Message*, and *Who Should Own the Earth?* The medley of topics resolved itself for the most part into two categories: statements of the philosophy behind George's proposal, and reports on achieved or potential practical applications.

A novelty for American Georgists—except those who had attended the quinquennial International Conferences—was the presentation of papers relating Georgist activity in other countries.

Australia has always been the leader. Here "site value taxation," as it is dubbed in Commonwealth and European countries, has flourished for sixty years, with two-thirds of the municipalities taxing land values only—not buildings—for their local revenue. Federal and state taxes still operate as usual, and nowhere is the full value of the land collected, so the Georgist proposal even here is only partially implemented. Yet statistics show that, as far as it goes, this has resulted in much beneficial construction.

New Zealand follows Australia in the adoption of site value taxation, with lesser but reputedly substantial benefits at the municipal level. In Denmark and Holland, the procedure has been adopted in various localities and periods, then dropped; yet these countries' representatives spoke sanguinely, in undiminished confidence in the correctness and importance of the method.

A participant from Taiwan told how Chiang Kai-shek, cognizant of *Progress and Poverty*, transferred land from the large landholders to farmers, so that the island is now, greatly to its advantage, a nation of small owner-tillers. Though this does not involve taxation, it is in the general spirit of Henry George. A spokesman reported on site value taxation in South Africa, and a young man from Kenya explained its beginnings there.

Jolly and scholarly, these men from foreign countries enlivened the sessions with a sense of the scattered but world-wide breadth of George's influence.

The philosophically-disposed talks were given with so much earnest enthusiasm on the part of each speaker that one almost forgot one had heard it all before. Stated anew were the themes of the injustice of landowning, the menace of special privilege and, of course, the desirability of free enterprise. Two upholders of this latter tenet were a longtime Georgist minister, Wylie Young, and the perennial Perry Prentice.

Mr. Prentice, among other things, a Vice-President of *Time-Life* and President of the National Council of Property Tax Reform, gave a talk entitled *The Trillion-Dollar Cost of Today's Property Tax*. Saying that the two-trillion dollar value of land (as estimated by the Federal Census Bureau) was a juicy subsidy to landowners, he pronounced soaring land costs to be the biggest single domestic element in inflation. The cure for this, as well as for urban decay and land waste, was: "The property tax Henry George died fighting for," a phrase he repeated four times.

Since "property tax" usually refers to built-upon real estate, the implication was that George died fighting for the shift to taxes on land from taxes on buildings. The fact that he died for something considerably different didn't prevent this venerable exponent of the old-time religion from receiving perhaps the greatest applause of the conference.

The Rev. Young, an equally popular warhorse of the movement, spoke of land as the birthright of all people, and of the duty of the clergy to support this, impressing his hearers with his histrionic yet heartfelt delivery. He likewise laid heavy emphasis on tax removal, advocating "a simple twist of the property tax policy . . . rescinding all taxes on buildings and improvements."

Broader approaches, however, were manifested too, especially in the talks of Rolland O'Reagan, the civic leader representing New Zealand; Mason Gaffney, an economist loosely affiliated with the movement, and David Hapgood, a writer on social issues.

In his report on New Zealand, Dr. O'Reagan, while lauding what site value taxation had done for construction and city planning, said the Georgist reform had not been envisaged in

a comprehensive enough way. As now practised, it was not applicable to natural resources. Therefore he counselled that some classes of land should be let out on long-term leaseholds: a kind of nationalization.

Dr. Gaffney, chairman of the Economics Department of the University of California at Riverside, noted that "we have not faced to whom to give the land-rent"—a simple enough thought, but one rarely occurring to Georgists. He advocated that it be used to reduce payroll taxes, rather than to reduce building taxes which is now the automatic result of the differential tax-shift. He approved the windfall profits tax, saying rental profits from energy sources should not be undertaxed. But although it was then pending before Congress, there was no further mention of this tax at the Conference.

David Hapgood was the most explicit of all the speakers in advocating measures that bypass the usual Georgist tax-shift. He said Georgists should consider land conservation trusts, the conservation of fossil fuels through severance taxes, the application of land rentals to the improvement of transportation, the public appropriation of the land values arising from broadcasting channels, and the question of who shall own underseas resources. Especially notable was his implication that Georgists should lend support to groups outside their own institutions, rather than simply try to convert them to "land value taxation."

What direction for the future was indicated by this lively Centennial Conference at the end of the 1970s?

The political orientation of the movement was not even mentioned: it was assumed that it had no such particular orientation—just a philosophic base that transcended the usual divisions of American politics. The consensus as to what should be done centered on procedural changes: greater unity of organization, more effective communications with society at large.

Despite the suggestions that had been offered by several speakers for different legislative methods, the wind-up sessions, with their "plans for the next hundred years," offered no commitment to pursue any of these—and certainly none to

support the aims of any outside group. It seemed taken for granted that the urban tax shift would still be the main goal. (When the write-ups of the Conference appeared in Georgist publications a couple of months later, there was virtually no mention of the *specific* approaches in other directions suggested by Gaffney, Hapgood, etc., merely a recommendation that "we join with others.")

San Francisco took some cognizance of its famous citizen.

The *Chronicle*, of which George was manager in the 1870s, devoted a half page to the Centennial; a banner stretched across the front of the hotel where he conferees stayed. The executive secretary of the California AFL/CIO at a public luncheon spoke of George's ties with Labor. The Public Library, which George had helped to found, held an exhibit and ceremony in his honor: an official in a dignified and touching talk told how George understood what books meant to those who couldn't afford to buy them. Another reception took place in the soaring, splendid rotunda of City Hall, where speakers from all the nations represented at the Conference each gave his tribute. In this building a compelling portrait of Henry George dominated the entrance. Georgists rarely mention George as a person, usually thinking only of his philosophy—but suddenly the man was there.

Two other cities held celebrations too.

In Philadelphia, George's birthplace, Agnes George de Mille, imparted to yet one more audience her impressions of the "palpable presence" her grandfather was to his descendants. Another speaker was Congressman Henry Reuss, chairman of the House Banking Committee, who stated that current problems of inflation, energy and recession could "be met in a meaningful way by a system such as Henry George preached."

In New York, the seat of George's maturity and of his political campaigns, a display of Georgian memorabilia was opened by a gala reception in the Trustees' Room of the Public Library. Agnes de Mille was again faithfully the hostess. The somewhat distinguished gathering of about two hundred included Georgist-connected professors and writers, and a half dozen television

personalities and journalists. A mayoral proclamation of "Henry George month" was read; Governor Carey sent a message; Senator Javits stopped by; the *New York Times* ran a substantial article.

No one refuses to honor Henry George. Yet scarcely anyone prominent in public life tries to adopt his ideas. The enigma persists.

The Georgists themselves are only partially self-congratulatory on the way things have been going. Many are aware that something is wrong. This was expressed with unusual force by an attorney and longtime school teacher, in one of the Georgist magazines:

"The tangible results of George's noble teachings are sadly sparse. . . . What (or who) is to blame for the exiguous harvest realized from the seed that was sown? Is the fault in our stars or in ourselves, or in some circumstance that until now we have not recognized?

"Having duly sung 'Happy Birthday', and having reaffirmed faith in the philosophy of Henry George, the celebrants [especially those pretending a position of 'leadership'] ought very diligently to do their best to find answers to the simple queries I have presented. If this challenge is not met, then the sesquicentennial of *Progress and Poverty's* publication, and the bicentennial thereof, et cetera, will mark no more progress and no less poverty than now prevail."²

Yet to end on this note would be to misread the temper of the movement. Georgists are congenitally hopeful.