

Henry George Newsletter



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RUSSELL MEANS: What He Said

"Continue to contaminate your bed, and one night you will suffocate in your own waste." - Seattle - Suquamish leader circa 1853." It's not unusual to hear Seattle quoted at a Georgist conference, but it was unusual for him to be quoted by a fellow American Indian. Sam Venturella, Chairman of the Council of Georgist Organizations, first met American Indian activist Russell Means at an Illinois Libertarian Party convention in 1988. At the time, Mr. Means was campaigning for the Party's Presidential nomination. Ron Paul, Republican-turned-Libertarian got the LP nomination, but then the Republicans themselves got the election. This may have been just a ripple in Mr. Means's career, which included confronting US authorities at Wounded Knee as well as criticizing the Sandinista government for their treatment of Indians in Nicaragua. As he admitted, he's been labelled everything from a communist to an CIA agent.

Russell Means arrived at the 1990 Georgist Conference on Friday evening with his wife Gloria and young son Tatanka. Russell



and Gloria attended various sessions, while Tatanka played with the few other children who were there with their parents. Sam introduced them at the banquet on Saturday evening, and they were warmly applauded. [Upon later being asked how he felt about Georgist ideas, he said he would observe the Indian custom of waiting four seasons before replying (and he has been invited back to do just that next year); he added that he and his family felt very much at home with a group of people who

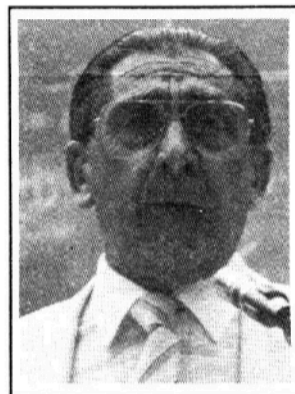
sang songs about the land.] We still did not know what Russell Means would say at his scheduled session on Sunday morning.

Sunday morning came, Sam introduced Russell, who launched in with the words from Seattle. "First the Bad News, Then the Good News (The Road to Peace)" was the title of his talk: "Since the first European boat people arrived on a Caribbean beach on day in 1492, American Indian people have been attempting to share the wisdom and insights which allowed them to inhabit this hemisphere for untold thousands of generations in balance and harmony with the natural order. Always, the Europeans ignored the validity of indigenous knowledge... defining their own world view as inherently superior.... Today, we truly stand at the edge of the abyss. The time has past when the arrogance and self-deception of Eurocentrism is viable in any way at all." Amongst the bad news caused by Eurocentrism, Russell mentioned homelessness and urban devastation in America, "expressways" that allow an average

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SANDLER: From Buenos Aires to Santa Fe

It has been said that a sure sign of the Georgist philosophy's gaining influence would be when Georgists began to undergo harassment from "the powers that be". By that measure, one of the world's most successful Georgists is Professor Hector Raul Sandler of Argentina. Introducing Dr. Sandler's talk at the Santa Fe conference, Jim Busey outlined how the professor and his family were forced to hide for two weeks in the basement of the national assembly building. Death squads were rounding up academics, and others who taught ideas that seemed to threaten the status quo, and Dr. Sandler, who had been teaching Henry George's ideas for many years, was lumped in with the "subversive elements" who preached land reform. A civilian government has since been elected, and Dr. Sandler has returned to his university post.



Considering the difficulties he faces, Dr. Sandler's attitude is remarkably upbeat. Although he has a small cadre of devoted students, he has been, effectively, a voice crying in the wilderness. His talk at the conference focused on Latin America's need for Georgist reform right now. The failure of Marxist economies in Europe has led people to question whether Marxism is the inevitable ideology of popular reform. Yet reform is desperately needed. Most of the people in Latin America live in crushing poverty, and everywhere the land is in the control of small groups of powerful landlords who are not answerable to the people's needs. The people of Central and South America, he said, must understand their alternative, and there is no time to waste.

In the effort to coordinate efforts to spread the Georgist message in Latin America, a center is being planned for Miami, Florida. Dr. Sandler came to the Santa Fe conference with this proposal, and it was approved by the CGO. The Miami office is to be a branch of Dr. Sandler's organization, Instituto de Capacitación Economica (Economic Training Institute), and will be under the direction of Juan Carlos Zucotti, also from Argentina. Common Ground USA agreed to facilitate the project.

IAN LAMBERT: Journey of a Thousand Miles

One of the most thoughtful and erudite presentations of the 1990 conference came from Ian Lambert on Thursday morning. Mr. Lambert, an attorney-at-law from the Cayman Islands, gave a persuasive discussion of reasons why the Georgist message has not caught on in the public dialogue. The main source of difficulty, he writes, is that George's ideas "run counter to beliefs...so deeply held that, even when people follow the logic of Georgist arguments, they still feel distinctly uneasy about them."

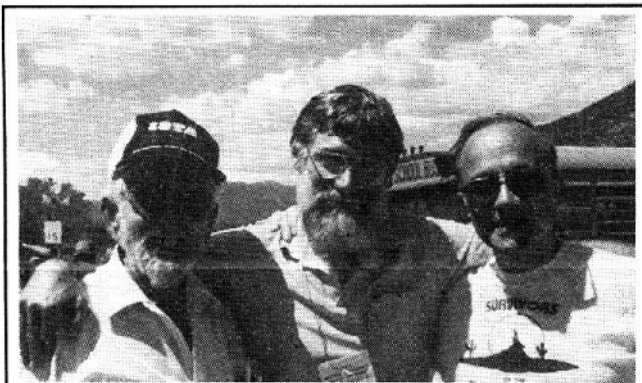
One of Henry George's greatest achievements was to develop a theory that arises logically from basic, incontrovertible principles: a science of political economy based on natural law. But, said Ian

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BONNER VS. CORD: IS LVT THE RIGHT MESSAGE?

Perhaps the most thought-provoking session in Santa Fe was also one that was right in line with the conference's theme: the debate on "Is Land Value Taxation the Right Message?" between H.W. (Colin) Bonner and Dr. Steven Cord. Although that topic may strike Georgists as the most moot of points, the issues raised were timely and valuable.

The debate grew out of a challenge, issued by Cord in *Incentive Taxation* to debate all comers on the merits of LVT. Steve Cord did not expect the debate to come from within his own movement, but Colin Bonner has been confounding expectations for years. His organization, the P.E.P.



L to R: Colin Bonner, debate moderator Mike Curtis and Steve Cord

League of Voters, conducts letter-writing and lobbying campaigns for economic justice, and much of his work is done on a portable computer in his mobile home, in which he traveled to the conference from Calgary, Alberta.

Bonner's thesis was not that LVT is the wrong message, but that as a limited, zero-sum tax reform, and as the major political focus of the Georgist movement, it does more harm than good. He questioned the familiar statistics on building permits which have been used to demonstrate the success of two-rate property taxation. Undoubtedly the two-rate shift has occasioned a surge in building—but, Bonner asked, is a construction boom really a Georgist objective? As Henry George's laws of distribution show, any economic advantage—such as the down-taxing of buildings—will ultimately accrue to the landowner. Unless the tax on land rent is raised so as to provide a significantly greater share of public revenue, then big landowners will reap a windfall at the expense of small homeowners: the two-rate property tax will "benefit the 'Trumps' of this world, and burden the 'Frumps'."

Cord countered that an enhanced environment for big developers should not bother us; although they might be getting large profits, they are also providing jobs and economic activity which was not there before. What is more, he argued, the "Frumps" would benefit from increased prosperity in the community, which would offset any increase in their property taxes (even though most homeowners would actually pay less in taxes anyway).

Colin Bonner noted that LVT is exceedingly difficult to get enacted. Notwithstanding the successes in Pennsylvania, some forty-nine states have constitutional or statutory restrictions on the two-rate tax. "LVT," said Bonner, "has become the least popular tax reform with the public, academia, and politicians." He asserted that "Unearned incomes...can be more easily collected for government revenue through the extension of existing taxes than from a new, unpopular, radical tax such as LVT."

To go about collecting the land rent and other unearned speculative profits, Bonner proposed inserting one word in the Sixteenth amendment to the United States Constitution, to read "The Congress shall have the power to levy taxes on unearned incomes, from whatever source derived...."

Steve Cord argued that the capital gains tax has two problems from a Georgist point of view: that it is, to some extent, a tax on real capital, and that even if it does collect land rent, it does not collect the potential rent and therefore does not curb speculation. As Henry George pointed out, speculation in labor products does not harm the economy, and even enhances economic efficiency; we should have no interest in curbing productive speculation. As for taxing the potential rent to discourage land speculation, Cord argued: is that not our primary objective as Georgists?

Colin Bonner's answer was that an increase in capital gains tax would tend to curb land speculation, because the greater tax liability would be computed into the selling prices for land, thus tending to lower them and make speculation less attractive relative to other investments.

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IAN LAMBERT

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Lambert, one of the greatest intellectual trends of this century has been philosophical and moral relativism. The concept of natural law has come to be seen as a quaint throwback to simpler times. Philosophically, Henry George is an enemy of the relativist trend. This can be inferred in George's zeal for consistent definitions and rigorous logical testing, and can be seen explicitly in his condemnations of "subjective" theories of value as presented by the Austrian School of economics. In short, Henry George believed it vital to spell things out in political economy, but twentieth-century social science has thrown out the dictionaries.

Arriving at the talk, attendees saw a chalkboard dauntingly full of equations. For Ian Lambert, who read mathematics before studying law at Cambridge, this was a jibe at the abstruseness of academicians. He used the math to make a serious point, though: the invalidity of any system, no matter how complex or consistent, that is based on a false premise. He pointed out that this was true regardless of academicians' unwillingness admit the existence of definite premises.

Lambert is a practitioner of tax law, which gives him a near view of the frustrating circumlocution of tax policy. For some reason, people see taxation as different from expropriation of property, because the latter is an actual seizing of assets—but what really is the difference? "Is there, then, any moral justification for taxation? George's response was simple: Just as Jesus exhorted us to render unto Caesar what is Caesar's, so too must we render unto the community what is due to the community."

The answer? Alas, Lambert presented no miracle cures. He did suggest that one way to bridge the philosophical gap would be to stress not just George's economic remedy, but the development of his thought. "One really cannot fully appreciate George's ideas without reading his books," Lambert said. If more people did so, George's forceful eloquence could succeed in breaking down some unconscious—but very strong—mental barriers.

