

Land and the State

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THE problem which confronts man in the field of the social sciences has two facets. The first one is that he lives in a world of unequal opportunities with equal claimants to them, but as two things cannot occupy the same place at the same time, two men cannot utilize the same opportunities simultaneously. Therefore, man must devise some means of dividing them up with justice to all. Henry George gave to the world the solution of this problem when he pointed out that this could be accomplished by collecting the economic rent of land. However, that solution contains the other facet of the problem since in order for society to collect the economic rent it must set up an agency for this purpose. This is the State.

While it may appear that there is no particular danger in setting up a State, the fact is that, because of the nature of man, he may create something which will cause more harm than good, for the reason that man seeks to satisfy his desires with the least effort. Inasmuch as stealing is one of the easiest ways to gratify one's desires, man is constantly tempted to indulge in theft. This propensity is curbed somewhat by his innate sense of right and wrong which makes him reluctant to steal outright. However, if some vehicle is at hand which will enable him to steal without his realizing it is stealing, or without it being apparent that it is theft, man will, consciously or unconsciously, tend to utilize it to exploit his fellow man.

In setting up the State he is in grave danger of creating this vehicle.

Of course, historically no State was ever formed for the express purpose of collecting economic rent, probably because the problem was never recognized. But, States have arisen, nonetheless, and, whatever may have been the reason for their origin, once established it has been generally assumed that their primary function is that of protection of life and property.

This is the justification for the State having a monopoly on the power of coercion. The possession of this power causes it to be the cynosure of men who desire to improve their economic status without working, and, in effect, it does the stealing for men, but the thievery is covered up by all kinds of rationalizations. The excuse may be that a "natural" monopoly exists, as in the distribution of electrical energy, and the State is asked to prevent competition on the grounds of convenience. The excuse may be that the weaker members of society need welfare. The rationalizations may be plausible or may be as absurd as that which justifies human slavery on the grounds that the slaves are little better than animals. But, whatever the excuse, fundamentally men are merely living up to that ingrained principle of seeking to satisfy their desires with the least effort, and stealing is one of the easiest ways to do that.

Of course, this fact is not lost on Georgists, but unfortunately too

many of them assume that once men are educated to the necessity for the communal collection of economic rent and it is instituted, things will be different. They assume that it will bring in its train reforms which will eliminate all the functions which the State has usurped with only the collection and disbursement of economic rent; and incidental protection duties remaining.

However, there is no reason to assume that man will be different merely because economic rent is collected. He will still seek to satisfy his desires with the least effort, and that being the case he will tend to utilize the State to do his stealing for him whenever he wishes to avoid working. That this appears to be true is evident by what is happening in the oil-rich Middle East. There, the Arabian states collect huge oil royalties. These royalties really constitute economic rent, and, while they do not get it all, they get a major portion of it which share is periodically being increased. This has not proved to be a boon to the people. Although in some countries a little of the rent indirectly benefits the people through various services, as roads and hospitals, most of the money is merely dissipated in the riotous living of the sheiks. Worse than that, this very money is used to hire mercenaries in order for the sheiks to maintain their privileged position and keep the people in a condition of servitude. Instead of involuntary poverty and unemployment being eliminated, it is generally worse than it is in many countries which collect relatively little economic rent.

What this all means is that Georgists must recognize that these two facets—the communal collection of economic rent, and the State—are probably of equal importance. For Georgists to put too much stress on the rent problem as "the answer" is just as erroneous as it is for the libertarians to put too much stress on the reduction of the State as "the answer." Men are always seeking pills to solve their problems—medical, social or economic, but there are no panaceas. Henry George stated that his proposal was no panacea, but, if one did exist, it was freedom.

This leads to the conclusion which any careful student of Henry George must recognize—that while involuntary poverty, unemployment and depressions cannot be eliminated unless the land is made freely, available to all through the collection of economic rent, it is important that the collectivity which does the collecting is directly answerable to the people. It will probably have to be the unit which is just above the family level, that is, the town, because the lessons of history testify that it is doubtful if man is capable of just government much above that level.

It does not mean that even if George's ideas are carried out in this manner Utopia will at last have been achieved. However, it would appear that under such conditions men would have the greatest opportunity to utilize their capabilities to the fullest. Having real freedom to attain their highest potentials, the probabilities are great that men will be peaceful and attain the greatest degree of happiness of which they are capable.

"The absence of a land tax encouraged speculation in land by large operators."

—From *The New Deal in Old Rome* by H. J. Haskell