

LAND & LIBERTY

since 1894

magazine of The Henry George Foundation

Issue 1261 Autumn 2023



The Fjords And The Treasury

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Gavin Kerr
*Georgism
And The Dismal Science*

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Tax That Fjord!

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Joseph Milne
*From Cicero
To Aquinas*

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TO PREVENT GOVERNMENT FROM
BECOMING CORRUPT AND TYRAN-
NOUS, ITS ORGANIZATION AND
METHODS SHOULD BE AS SIMPLE
AS POSSIBLE, ITS FUNCTIONS BE
RESTRICTED TO THOSE NECESSARY
TO THE COMMON WELFARE...

(AS USUAL, THE END OF THE QUOTE TO BE FOUND ON PAGE 19)



LAND&LIBERTY

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message from the honorary president

Last year I wrote in this column about my experience as an engineer and management consultant working to provide affordable public water services in water scarce regions of the world. I highlighted how the same water that represents a luxurious amenity for some is a matter of life or death for others and how, where supplies are limited and people pay for water on the basis of a metered supply, many are deprived because wealthier people are able to purchase all the available supply. My 'Safe Water for All' (SWaFA) solution to this, and other water quality and corruption issues, was to ensure that every household received a guaranteed basic supply before any received more than that. Given that water resources are frequently more than enough to provide a *basic supply for all*, I described how selling the surplus at market prices would yield more income than needed to cover supply costs.

Along with air, food, energy and water every person born needs an affordable home. Unfortunately the UK's tax system clearly militates against this because it reduces earnings to the barest minimum and increases housing costs to a maximum. More specifically it: (i) Increases the cost of accessing the land dwellings stand on. (ii) Increases employment costs of the labour and capital needed to build and maintain every dwelling. (iii) Reduces the earnings of those who supply the labour and capital needed to build and maintain every dwelling. (iv) Reduces the earnings of those who need to rent or buy their dwelling. (v) Fails to collect the *economic rent of land* thereby inflating it into a *monopoly rent* which allows part of the population to collect it at the expense of others.

Failure to collect the economic rent of land as public revenue also means it must be acquired as unearned income (imputed or in cash), for those who society recognises as *land owners* rather than just *land holders*. This causes land to have a selling price and become an asset. The value attributed to this asset is a malign fiction. It is malign, because the speculation it induces distorts the whole economy by drawing investment away from productive ventures - including house building! It also distorts the monetary system as privately created and inflationary money arises as debt in the form of mortgages, to fund a land market. It is a fiction because it is based on an *estimate* of the current value of an *imagined* future stream of rents.

As with water and land there is a fundamental difference between the *need* for housing and the *demand* or market for housing - the latter requires sufficient financial means. As I have been looking into the issues surrounding the 'Local Plan' in my area (Epsom & Ewell) I have been struck by how the government's directive with regard to the number of new dwellings to be planned for fails to make this distinction. It assumes the more unaffordable housing is in an area, the more new housing is needed. This leads them to require the borough to plan for many more new dwellings over the next twenty years than needed to house the projected population. The fallacy is that, being a very attractive place to live, there remains effective *demand for new dwellings at prevailing market prices*, however the new residents will be drawn from outside the borough and housing will be no more affordable to a younger generation of existing residents than now. A further consequence of this failure to harmonise land use planning and tax arrangements, is that the town centre is in danger of high rise over development, and green belt land will be sacrificed to unnecessary new housing developments - good news for developers, bad news for existing residents and their children! Bad news also for other parts of the country since this makes 'levelling up' less likely.

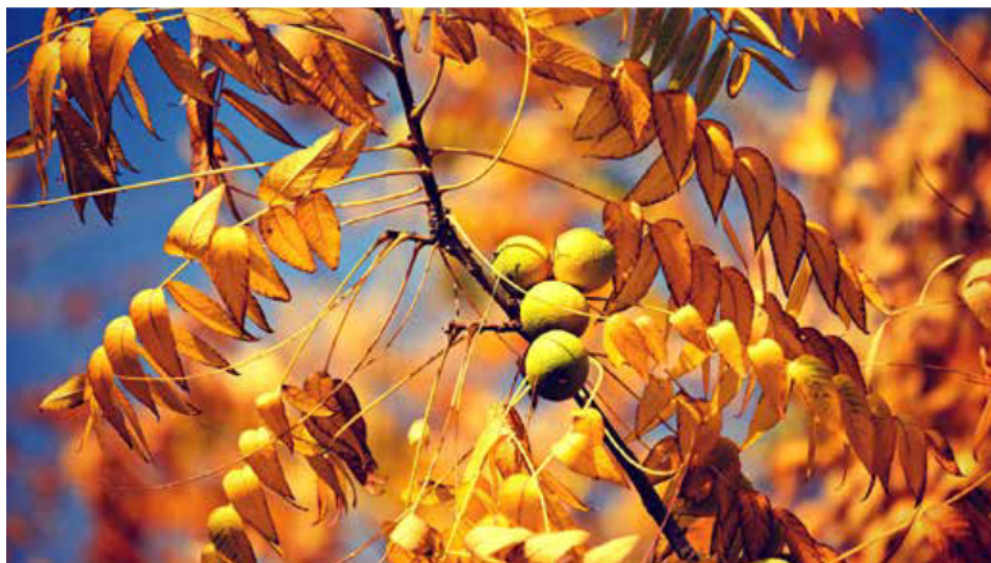
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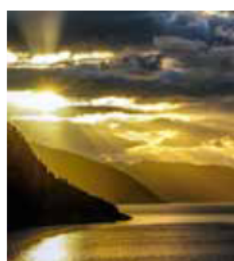
No Books Worth Reading in this particular issue. Instead Angela St. Clair goes deep into the archive to review a still relevant 1992 book by David Redfearn which might have escaped the readers' interest. The title is *Tolstoy: Principles for a New World Order*

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Tax That Fjord!

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letter from the editor

A major cause of the widening gap between the richest and poorest in society is land monopoly which enables speculators to take the rent value of land as unearned income. Because land is limited in quantity, the value of land rises with economic growth. This in turn makes buying or renting a home increasingly expensive. The increasing land value absorbs or exceeds the economic growth. It is the root of the current housing crisis. The charity Shelter remarks that prices of homes keep rising because buyers are out-bidding one another. Mortgages and rents now account for 40% of net incomes and in some cities 60%. But this is the case also with commercial land values.

Few modern economists acknowledge this as a contributing cause of the gulf between rich and poor. Land is regarded as commodity like any other. But land is not a commodity. It is what is given by nature and its value is created by the community living and working on it. This 'value' is technically called 'economic rent', distinguished from the value of any property or improvements on land. It is the collective value that belongs to the community that create it. Henry George and other economists have proposed that this rent value of land is the natural source of governmental revenue which could be collected simply through a land value tax. In theory it could replace all other taxes which are presently levied on producing wealth.

If government collected this natural revenue it would show a clear distinction between the source of funding for public services and private income. So long as this natural revenue is appropriated as private income of land owners or speculators, government revenue must be taken out of the wages of employed labour through a variety of taxes. A great part of this has to be redistributed to the employed and unemployed labour through the welfare state. It is highly inefficient yet a social necessity.

As land speculation grows, it has accumulative consequences. For example, a major investment in land over the past decade has been in building private student accommodation. This guarantees the investor a return of around 12% per annum. This is paid by students, and students in turn have to borrow at interest to pay their rents while studying. Hence they finish their degree with a debt of around £44,000. Meanwhile, according to the NUS, 69% of students need to work around 20 hours a week to meet their living costs, with rent being their highest cost, on average £7,374 per annum or 45% of their living costs. Many students are resorting to food banks while a growing number are leaving university without completing their degrees.

There is a certain irony here since the NUS has no understanding of the economic causes of the plight of the students they represent, while students themselves, including those studying economics, politics or law, have no idea either. Instead they blame the government and demand more resources. That in turn suits the speculators in purpose-built student accommodation. The tragedy for students is that education has been turned into a commodity where the profit goes to the student loan companies and the land specula-

tors. In principle all education ought to be met from government revenues, with each generation supporting the next generation.

Present government policy calls for more skilled young people to enter employment to meet the skills shortage. Yet present financing of higher education deters young people from gaining these needed skills. At the same time, while seeking to lower inflation, the rising prices in land and the housing market are seen as growth indicators in the economy. But in fact buying and selling the same land or houses at ever higher prices represents no increase in actual wealth. It is just pyramid buying and selling.

Home buyers themselves are deluded into thinking that buying a home is an investment because the market value increases. But so long as they remain in that home this rise in value is meaningless. That home owner is unwittingly contributing to the inflation of the housing market where nobody actually gains apart from the mortgage lender. Government policy made things worse by encouraging buy-to-let homes, thus removing housing stock from home ownership. But renting a home is more expensive than buying one, while it is those who cannot get a mortgage who are obliged to rent.

The point is now being reached, however, where rents can barely meet the rising costs of letting because of recent mortgage interest rates. Landlords evict their tenants and put their property of the market hoping to limit their losses. Thus homelessness increases and councils struggle to find accommodation for more and more evicted tenants. Eventually this will force house prices down. In fact in the town where I live houses on the market are being advertised at around 6% less than they were a few months before.

Of course land monopoly is not the only monopoly. But it is the mother of all monopolies since it makes others possible, while presently it is the major source of interest on bank loans. Modern banking is deeply implicated in the growing gap between rich and poor through fostering land speculation and driving up mortgages by lending in excess of real earnings. It is the main reason why net wages have not increased for over 20 years, despite the rise in production, while unearned income keeps rising by leaps and bounds. Without understanding the relation of land and economics the gulf between rich and poor will just grow wider. Dr Martínez-Toledano says: 'Less equal societies have less stable economies. High levels of economic inequality can lead to economic and political instability. This is why action needs to be taken before societies become polarised.' (*Journal of Monetary Economics* Vol 133, 2023).



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GEORGISM AND THE DISMAL SCIENCE: ON THE CONTINUING ECONOMIC IMPORTANCE OF LAND RENT IN THE TWENTY-FIRST CENTURY

INTRODUCTION

Since I became involved with the Henry George Foundation about seven or eight years ago, one particular question has reared its head again and again in conversations with fellow members of HGF, in the pages of *Land & Liberty*, and in discussions on the subject of economic justice among those involved with other like-minded organisations, such as the Robert Schalkenbach Foundation, the Henry George School of Economic Science, and the Henry George Foundation of Canada: Why are fewer and fewer people taking any notice of Henry George and the solutions his economic philosophy offers, and why do these solutions appear no nearer to being implemented than they were more than a hundred years ago at the beginning of the twentieth century?

Answers to this question have been contrasting and wide-ranging: some point the finger at the economics profession, arguing that this field of study has never emerged from the shadow of the corrupting influence of big money in the early twentieth century, when some of the leading economists of the time were employed more or less expressly to silence Henry George; others make more general references to the power and influence – in politics, in the media, and in academia – exercised by those with vested interests in the status quo of unequal landownership and privatised land rent; others cite the inherent practical difficulties associated with the implementation of land value taxation in modern societies in which the majority of the population own their own homes; still others direct their criticism at the Georgist movement itself, arguing that Georgist organisations have been excessively inward looking and disengaged from wider discourse, and that Georgist thinkers lack awareness of the importance of the natural law foundations of George's economic philosophy, and are overly obsessed with the idea of the 'single tax' to the exclusion of the much wider range of policies that might reasonably be expected to promote economic justice as envisaged by George.

In my view, the reasons for the apparent decline of the Georgist movement are complex, and there is some truth in all these answers. All we can do is try to keep learning and contribute to the ongoing discussion however we feel we can. For my part, I am inclined to focus my attention on the following two issues: 1) the overly narrow focus on the single tax idea; and (2) the dreadful state of the field of mainstream neo-classical economics.

There is, however, another answer to the question posed in the first paragraph: that the question is misconceived, in the sense that it assumes what can be questioned – that fewer and fewer people are taking any notice of Henry George and the solutions his economic philosophy offers. One might wish to respond to the question by pointing out that many more economists and public policy experts are thinking about the problems of monopolies and economic rent than was the case a decade ago. Consequently, the kinds of policies that might have some chance of solving these problems – weakening or eliminating intellectual property

rights, using anti-trust legislation to dismantle monopolies in the tech sector, renationalising public transport and the utilities, introducing a carbon tax, and so on – are now much higher up the political agenda than was the case just ten years ago. Given that these are the kinds of policies that Georgists might be expected to support, one might plausibly argue that the Georgist movement is in a much healthier state than the question posed in the opening paragraph would seem to suggest.

I think there is something in this view, and the increasing attention given to the problems of monopolies and economic rent, as well as the practical solutions to these problems, is certainly to be welcomed. However, these steps in the right direction do not in my view invalidate the question of the lack of progress made by the Georgist movement. After all, public policy has been moving in the wrong direction since at least the late 1970s, and it is unclear whether an incoming Labour government would be capable of delivering any substantial change of direction. Moreover, although the problems of rent and monopolies have indeed been attracting more attention from economists, those focusing on these areas are still very much on the fringes of the economics profession. The vast majority continue to teach the defective and discredited models and theorems of neo-classical economics, which they (and their students) then reinforce and perpetuate in their research work. Even the otherwise admirable Rethinking Economics initiative, a network of students and graduates aiming to transform the teaching of economics, seems to make few references to rent and monopolies, and does not include Georgist or location economics as one of the plurality of economic 'perspectives' it seeks to highlight. And while a number of journalists and politicians have done a lot to bring the idea of economic rent into the public debate, awareness of this idea in the media and general public remains alarmingly limited.

Perhaps more importantly, there is I think a tendency among those who recognise the centrality of the problems of monopoly and rent to somewhat downplay the importance of land rent and the land monopoly relative to other monopolies and forms of rent. This is in part a reflection of the widespread view that while the land monopoly may have been of greater importance in the late nineteenth century, in the context of the modern, digitalised economies of the twenty-first century it is considerably less important and of less concern than the monopolies created by IP rights and by the first-mover advantages and network effects that boost the profits of tech platform giants like Amazon, Facebook, Google, and so on. The tendency to downplay the importance of land rent is also, perhaps, a reflection of the political challenges that are perceived to lie in the way of any serious attempt to reduce the privatisation of land rent.

For various reasons, I think the relative lack of importance attached to land rent by those concerned with the problems of monopolies and economic rent is a mistake. For one thing, the

sheer magnitude of land rent as a proportion of GDP in the twenty-first century would seem to make this form of rent of particular importance. More importantly, we have good reason to think that a program of reform which mitigates or eliminates monopolies generated by IP rights, network effects, implicit government subsidies, and so on, but which does nothing (or not enough) to challenge the monopolisation of valuable residential and commercial land, would fail to achieve its aims, and could even make things worse than they already are. If this is the case, then radical economic reform is not something that can take place in isolation from a serious attempt at solving the problem of the land monopoly. However, 'solving the problem of the land monopoly' does not necessarily mean 'replacing existing taxes on production and employment with a land value tax', and an excessively narrow focus on this particular policy could be counterproductive.

THE SINGLE TAX

There are, of course, many good reasons why Georgists have championed land value taxation (if it is even appropriate to refer to the public collection of land rent as a 'tax'): land rent, deriving from the value of nature and of the productive efforts of the community, is the natural source of public revenue, which, when publicly collected, facilitates rather than hinders the creation of wealth and is more than sufficient to cover the costs of legitimate and just government. However, even if we restrict our focus specifically to land rent, taxing landowners in proportion to the value of their holdings of land is not the only way in which land rent can be publicly collected or socialised. Particularly given the challenging political circumstances in which we find ourselves – after decades of Conservative and New Labour governments shamelessly buying votes by handing out vast sums of money to homeowners in the form of tax breaks and discounts for privatised council houses – it is essential that proposals for tax reform consider the full array of taxes that bear on land rent (from property taxes to inheritance, capital gains, and top rate income taxes), as well as the implementation of non-tax policies such as the construction of social housing and reforms of the planning system. It is also essential that the proponents of the public collection of land rent address a wide range of questions concerning the possible consequences of this policy – including, for example, those relating to the provision of social care for the elderly, the issue of the inheritance of family residences, the problem of income-poor but asset-rich pensioners, the plight of those who have recently purchased a house on a substantial mortgage, and so on.

While these kinds of questions have of course already received a great deal of attention from the proponents of LVT, I believe that a much more detailed and systematic approach is required to generate a set of policies that stand any chance of being implemented during the next decade or two. It seems unlikely (to me at least) that the simple replacement of existing taxes on employment and production with LVT would allow for the successful resolution of the kinds of complex problems that would arise from any serious attempt to reverse the privatisation of land rent. What is needed, rather, is a carefully constructed, systematic overhaul of the tax and benefit system, and, over the longer term, a systematic overhaul of the planning and banking systems. What is needed is a program of reform – a comprehensive set of policies that includes an implementation plan covering at least the five years of a full parliamentary term – on which a political party can reasonably expect to campaign successfully at a general election.

The task of generating and promoting such a program of reform is in my view extremely challenging, requiring a great deal of time

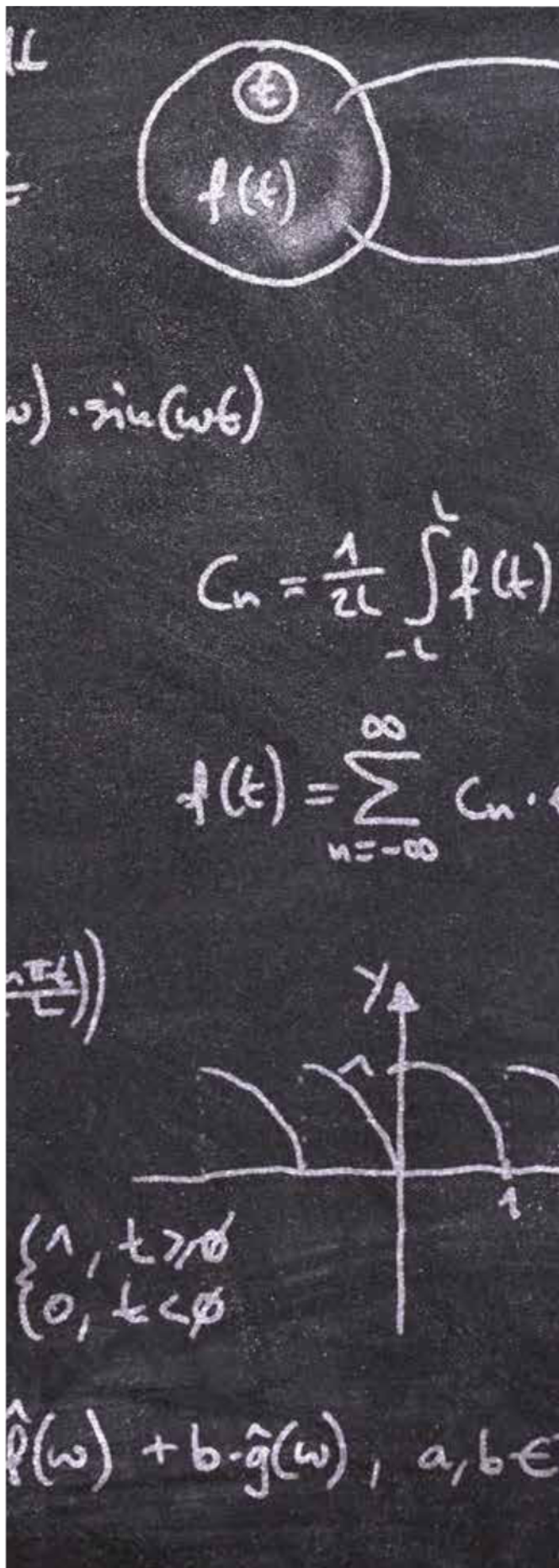
and energy, and the efforts and contributions of a large number of researchers, academics, public policy specialists, consultants, activists, campaigners, and so on. A useful comparison can perhaps be made here with the Universal Basic Income movement, which has gathered a lot of momentum in the last decade or so. Despite the politically challenging nature of the UBI proposal – with many people understandably instinctively opposed to the idea of governments handing out money unconditionally – the idea of a universal basic income seems much less politically infeasible than it did ten years ago, with a number of experiments and trials having already been implemented. Vast amounts of time and resources (money) have gone into this endeavour, and while I myself have my doubts about the supposed benefits of the UBI, it is worth taking note of the sheer numbers of university professors, lecturers, researchers, and PhD students whose research and teaching is focused on the UBI, with entire university institutes (like the FRIBIS institute of the university of Freiburg) devoted to gaining a better understanding of how a UBI could be implemented, how it could be combined with the existing tax/benefit systems of particular countries, how it should be financed, how the political obstacles to its implementation might be overcome, and so on.

The mobilisation of this veritable army of researchers and investigators has in my view been an important driver of the growing political prominence of the UBI proposal and the considerable momentum the movement has gained over the past couple of decades. Nothing remotely comparable can be said of the LVT/Georgist movement. As I have already remarked, while it is certainly true that awareness of the economic importance of land has been increasing steadily over the past couple of decades, with a number of prominent economists endorsing the idea of taxing rents, and numerous references to LVT in the mainstream media, interest among academics (economists, philosophers, political theorists, public policy experts) remains peripheral, and the time, energy, and resources invested in researching and developing the politics and economics of land rent theory are a fraction of those invested in the researching and developing the politics and economics of UBI.

THE DISMAL 'SCIENCE'

This relative paucity of resources devoted to the development of land rent policy is surely in part a predictable and inevitable consequence of the dismal state of the field of modern mainstream neo-classical economics, with its models and theorems that bear no relation to any kind of reality, treating land and capital as though they were economically indistinguishable. It is also a reflection of the failure of many heterodox economists to recognise the significance of land as a factor of production. In my view it is vital that we do as much as we can to improve understanding and raise awareness among economists – both mainstream and heterodox – of the importance of land rent in the economy, and in this way generate the motivation to devote time, energy, and resources to a systematic and comprehensive investigation of the economics, and subsequently the politics, of land rent theory.

A comparison with the UBI movement might again be instructive here. The idea of a basic income has the advantage of being relatively simple and straightforward: by guaranteeing a regular stream of income unconditionally as of right to all citizens, governments can empower vulnerable people to exit from toxic relationships of dependency (with, for example, abusive spouses, employers, landlords, bureaucrats, and so on), while at the same time eliminating welfare 'poverty traps' and minimising implementation costs. There is no conflict between this basic



justification for implementing a UBI (whatever else we may think of it) and the models and theorems of neo-classical economics; the key arguments for a UBI are neither confirmed nor refuted by mainstream economics.

The situation is completely different with regard to the case for socialising (or eliminating the privatisation of) land rent, which is much more complex than the case for a UBI, contradicting a range of key theorems and policies affirmed by mainstream economists. For example, the idea that taxes that bear on land rent are preferable to taxes that bear on production and employment sits uncomfortably alongside the vast literature on the so-called theory of 'optimal taxation', which typically identifies broad-based taxes on wages, production, and consumption as the most optimal forms of taxation. Land rent theory is also at odds with mainstream economic analysis on the question of the distribution of economic output. Even fairly radical progressive economists like Thomas Piketty tend to attribute a far larger share of output to returns to capital and labour, and a correspondingly smaller distributive share to land rent, than the shares attributed by land rent theorists to these factors of production. Perhaps most significantly, mainstream and heterodox economists typically fail to recognise the macroeconomic significance of land rent. A clearer understanding of how the distribution of land rent can affect the performance of the economy at the macroeconomic level is essential if we are to develop a set of policies which will enable us to maximise production and employment (within the bounds of environmental sustainability) while minimising inflation and economic instability.

There are many other areas in which mainstream economic analysis is at odds with the insights and applications of an economic view that takes land rent seriously. The disparity between the dogmas of mainstream economics and the insights of land rent theory makes it extremely difficult to present the case for socialising land rent, since most of the supposed benefits of doing this depend on various aspects of the economics of land rent theory. This disparity also undermines attempts to encourage the devotion of resources to research in land rent theory that is required if we are to develop an effective and feasible program of reform. Thus, the social and political case for socialising land rent depends in part on the strength of the economic case for socialising land rent, and if the latter has not been sufficiently developed and defended, then the former cannot hope to get off the ground.

CONCLUSION

It is for this reason that I believe that organisations like the Henry George Foundation should seek to encourage and support projects that focus on improving understanding within the economics profession of the importance and relevance of land rent theory (and on investigating whether land rent theory really is as important and relevant as Georgists believe). Let me be clear: I am certainly not saying that organisations like HGF should encourage and support only projects that explore the economics of land rent theory – as I remarked at the beginning of this article, I am aware that there are many important questions on which Georgist thinkers need to focus their attention if the Georgist movement is to make progress. But given the state of the economics profession, and given the influence wielded by the practitioners of this dismal science, it is high time that the economic ideas and insights which have sprung from the Georgist tradition make their way into the mainstream of economic thinking. Then they can be interrogated and, if found to be sound, might have some chance of influencing the direction in which public policy is developed. ■



Jesper R. Christensen holds a degree in Political Science. He has worked as Land&Liberty managing editor for several years

TAX THAT FJORD!

North Western Norway is cold and windy. Extremely cold and windy, in fact. Particularly this is the case when autumn rolls around. I remember visiting with my father when I was a child, and remember the rough Norwegian nature with straits of narrow waters criss-crossing in between steep peaks and mountains. This type of nature was distinctly different from the flat lands of my native Denmark.

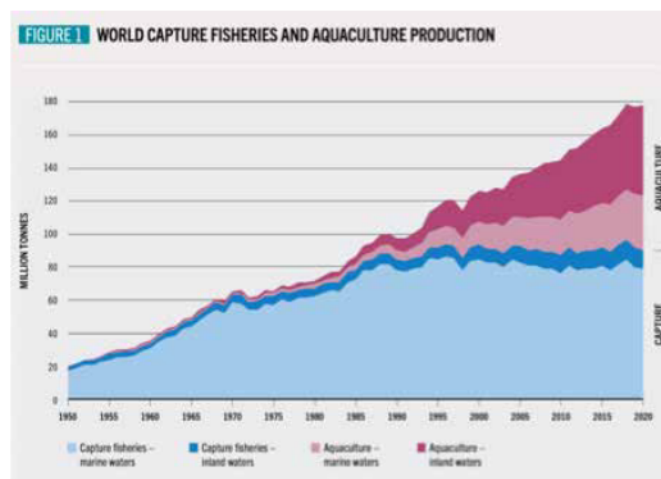
The Norwegian countryside also felt much less utilized by humans compared to the miles and miles of agriculture strewn across the landscape back home. What I did not realize at the time was that instead of searching for agriculture, I should instead have been searching for *aquaculture* if I wanted to understand how the abundant gifts of nature was utilized in my sister country to the North.

If you are unfamiliar with the term aquaculture, you should not be embarrassed. It can best be understood as the cultivation of, primarily, fish in a controlled environment for later harvesting. In essence, it is marine farming. It is also big business. It particular it is big business in a small Scandinavian country like Norway. In 2022 Norwegian exports of seafood amounted to 151.4 billion Kroner – that is over 11.5 billion Pound Sterling. Of that large figure 73 percent of those exports came from aquaculture, with Poland, Denmark and the US being the top importers of this fishy Norwegian commodity.

Even in the United Kingdom aquaculture is a burgeoning industry. It might not be big business compared to its Norwegian counterpart, but it is growing. According to seafish.org the United Kingdom farmed 217,000 tonnes of fish and shellfish in 2020, which amounted to 1 billion Pound Sterling the same year. In total, fish contends with chocolate and bakery goods to be the number one food export coming out of Britain today. Primarily the British fish farms are to be found in Scotland.

If you have visited both Norway and Scotland this particular fact will not be surprising to you, as some of the natural features of Norway can also be found in Scotland. The same can be said of countries with vast rugged coastlines like Canada, and even Chile. But the largest aquaculture producers in the world are to be found in Asia with China and Indonesia taking first and second place.

And if you might be of the understanding that when a fish hits a hot frying pan, or a cold sushi knife, somewhere in the world it will most likely have been made available for human consumption by a trusty old fisherman rather than a fish farmer, then think again. Actually it is equally likely that aquaculture rather than capture fishery of wild fish is the actual source according to *FAO*, the Food and Agriculture Organization of the United Nations. See graph below with the *red* tones constituting global aquaculture while the *blue* tones constitutes regular capture of fish globally:



However, when it comes to one particularly valuable species of fish, the Atlantic salmon, one nation reigns supreme. That country is Norway. This is the case both in terms of pure volume, and in terms of profits. In fact, the distance to the runner-up, Chile, looks slightly similar to the two countries' medal count in Olympic cross-country skiing.

As a reader of *Land & Liberty* you should care about the not-so-strange success of Norway's Atlantic salmon producers for one particular reason: The success has just about everything to do with the most basic contribution of all, the contribution of nature itself.

The truth is that Norway is ideal for this particular niche industry. Norwegian fjords are deep, clean and cold providing ideal conditions for salmon farming. The energy aspect is also worth pointing out. Aquaculture – in any country – is an energy-intensive process, requiring substantial amounts of energy for pumps, filters, and other equipment. In Norway, nature itself secures the aquaculture industry with ample amounts of energy. This is done via hydropower. The country's extraordinary geography, with abundant fjords, mountains, and freshwater rivers, makes it an ideal location for harnessing the electricity potential of water. Most Norwegian hydroelectric power plants are, in fact, located in the western part of the country, where the aquaculture sector is also located. Here the natural topography allows for the creation of large reservoirs and steep drops in elevation that can easily be utilized to generate electricity.

Furthermore, the Norwegian fjords offer the additional advantage of relatively strong currents moving the water mass naturally, which should not be underestimated. It has been described to me when I was researching for this article that the Atlantic salmon happens to be a bit of a diva. Robust natural water currents in the Norwegian fjords provide a water environment that can satisfy the particularly needs of the Atlantic salmon in an aquaculture setting. The diva status also can be attributed to the Atlantic salmon being famously prone to disease, parasites and similar outbreaks. Notably, in the wild infestations and parasites are found at a significantly lower level. Again, the water quality is essential to keeping the salmon stock healthy. The Norwegian waters provide a high degree of water exchange caused by the water currents, however the overall sustainability of the salmon industry in terms of animal welfare and general maritime environmental impact has been called into question in recent years.

ENVIRONMENTAL CONCERNS

British media has also highlighted the broader environmental concerns related to the aquaculture industry. In September 2020 *The Guardian* published a long read article aptly named *Net loss: the high price of salmon farming*. Written by journalist Mark Kurlansky, the article is absolutely worth your attention, and can be easily found on the paper's website. The article points out the enormous amount of pollution a single pen containing 200,000 fish will inevitably produce.

Again, as I point out above, the strong natural water currents and deep waters of Norway is in itself a solution to this particular environmental issue as the pollution can be moved away much more easily. In contrast, Chile struggles with shallow water and slower water, comparatively, but is still the home of many salmon farms, leading to plenty of relevant environmental objections from groups such as Greenpeace.

The Guardian article also points out the concerning issue of escaping fish. The escaped farmed salmon will eventually mix and breed with the wild salmon stock. On the surface this might not sound like a particular cause for concern. But farmed salmon lacks the survival skills of the wild salmon, while still being able to reproduce in large enough numbers that the genome of farmed salmon is found in wild fish around the globe today. The article perfectly explains the consequence:

"A salmon living in the wild that has a farmed parent or even grandparent is much less likely to survive at sea, and, in fact, sea survival has declined in places with farming".

The simple fact that farmed Atlantic salmon is famous for being prone to disease and parasites, as described earlier, represents an environmental concern in itself. Parasites and diseases, many of them viruses and bacteria – but it can also be fungi – will transmit relatively quickly among the crowded salmon in aquaculture facilities, and can then transmit to the wild salmon population living close to these facilities.

Not all types of disease can be easily and effectively managed by the salmon farmers. In particular viral diseases remain a cause for concern in terms of potential spreading, but equally in terms of the risk of antimicrobial resistance and even immunity, presents itself as a particular risk for both fish and humans as the aquaculture industry keeps expanding.

A TAX ON NATURAL RESOURCES

And, yes, this industry is expanding. Very much so, in fact. This is also the case in Norway. For years the Norwegian aquaculture have been growing, and so have the companies, partially helped along by sector consolidation. The decades-long expansion has been limited primarily by stricter and stricter environmental, food safety and animal welfare legislation combined with a fairly effective licensing and permit practice conducted by the Norwegian Directorate of Fisheries, and other authorities all the way down to the local county council level. Still, the promise of new employment opportunities in the thousands created directly and indirectly by the aquaculture industry has proved rather difficult to ignore in these Western rural parts of Norway, where the salmon industry operates with such tremendous and triumphant success.

The success has also been seen on the Oslo stock exchange where most of the largest Salmon companies are found. Stocks prices have been humming along. But on one otherwise normal September day in 2022 the entire sector and its many investors could watch the value of their stocks fall significantly. Sector giants MOWI, SALMAR and Lerøy Seafood Group found their stocks down 18,9 percent, 30,3 percent and 27,5 percent, respectively, as trading reached the afternoon on September 28th 2022. Other significant salmon industry firms like Grieg Seafood, Austevoll Seafood and Norway Royal Salmon saw their stocks stumble 26,6 percent, 21,7 percent and 22,9 percent, respectively.

This one-day mini crash in stock prices was directly caused by a new policy proposal from the Norwegian government. The proposal was for a new "grunnrenteskatt" levied on aquaculture operations, and – to a lesser extend – on wind power. The initial policy proposal was estimated to add a yearly income of 33 billion Kroner to the Norwegian treasury.

The entire salmon industry was shocked, and so was the stock market.



For those readers of *Land & Liberty* whose Norwegian language-skills have become a bit rusty lately, *grunnrenteskatt* translates directly into “ground rent tax”. And so, the Norwegian government was well-aware that a bit of informative communication was needed to explain logical basis foundation of such significant and noteworthy changes to the tax scheme in the already highly-taxed Scandinavian country.

In itself it is worth noting that the Norwegian government could have chosen several other names or monikers for their tax proposal but chose to stick with the rather technical, and clearly unsexy, *grunnrenteskatt*.

The accompanying political communication was also directly linked to the commercial “use of natural resources”, while the Norwegian finance minister, Trygve Slagsvold Vedum, could be quoted saying that the new “salmon tax” would be “levelling differences among Norwegian citizens”. It was also clear that regular corporation and capital gain taxes will not be replaced by the new tax measures, and thus, would stay in place. The Norwegian media did also – for the most part – convey the message in a fair and reasonable manner. For instance, the Norwegian newspaper most focused on food production, *E24*, explained to its readers that the proposed ground rent tax should be understood as a “type of property tax” to the state “for the use of scarce, national natural resources”.

Equally interesting was the Norwegian media’s interviews with academics in the days and weeks immediately following the government’s tax policy proposal. On November 4th economics professor Øystein Thøgersen from the largest business school in Norway, *Norges Handelshøyskole* - or simply *NHH* - said that “ground rent taxes come directly from economics text books” adding that “it is the best tax, as long as it is designed in the right way”.

Another professor in economics named Karen Helene Ulltveit-Moe from the University of Oslo echoed this sentiment directly in an interview in *E24* on September 28th, the day of the government’s proposal. In the paper professor Ulltveit-Moe pronounced it a “joyous day for the Norwegian society”. She added that “the tax planning proposed by the government reduces the need for other taxes much more harmful in nature” and went as far as calling the new ground rent tax “a very legitimate tax”. To *E24* she explained: “The (fish farming industry) has been utilizing their aquaculture licenses fundamentally for free. It is reasonable that society as a whole is compensated for sharing its natural resources with this industry”.

It is worth noting that professor Ulltveit-Moe led a government commission analyzing existing and potential future tax schemes in the Norwegian aquaculture industry. The eventual government policy proposal can only be described as relying heavily on this work.

As could be expected the entire salmon industry launched a rather unforgiving lobby campaign against the proposed ground rent tax. On November 9th 2022 Lerøy Seafood Group terminated the contracts of 339 employees and directly blamed the Norwegian government’s tax proposal as the reason.

Five days later, on November 14th, another salmon industry giant SALMAR upped the ante by terminating the contracts of 851 employees; also using the opportunity to “primarily” blame the newly proposed ground rent tax for the layoffs.

The director of the principal interest group for the salmon industry, Robert Eriksson, did not hold back either as he expounded that the salmon companies saw the situation as “dramatic” while calling the proposed ground rent tax “a blow below the belt” when he was interviewed by the large Norwegian TV station and media outlet, *TV2*.

Despite the plentiful misgivings coming from the industry the tax proposal eventually become law earlier this year as the Norwegian parliament in Oslo, *Stortinget*, voted on a revised version on May 31st. However, a slightly lower percentage tax rate and other notable changes, were eventually made to the legislation, that was voted on. In fact, in terms of pure tax percentages, the initially proposal mentioned a 40 percent tax rate, while the eventual legislation presented only a 25 percent tax rate. A provision providing a tax-relief for smaller produced was also introduced.

The changes came about partly as a result of a momentous lobby campaign set in motion by the salmon industry. *E24* reported that answers to the formal legislative hearings amounted to “record numbers”.

In the end 93 Norwegian parliamentarians voted *for* the ground rent tax; with 76 votes *against*. The Norwegian government made it known that their hopes for a much broader coalition behind the legislation had been unrealistic. In itself a broad coalition would provide the needed long-term security and perceived permanence for the ground rent tax. Such security would also provide the salmon industry much needed clarity, making it easier to financially plan with the knowledge that the new tax and its corresponding tax rate is here to stay.

Indeed, the story of the Norwegian ground rent tax is an interesting one, and the last word is yet to be written in this story. The tax percentage can go up in future years, or the tax could eventually disappear entirely as numerous political pressures could mount with employment interests in the rural Western parts of Norway being tightly connected to the industry. In addition, the Norwegian salmon corporations all compete in an international market place with their many international competitors not being taxed in the same way.

The salmon industry in Norway is only about 50 years old. In 1971 the brothers Grøntvedt harvested the first generation of successfully farmed salmon. That the industry would grow to the billion Kroner industry it is today is almost impossible to wrap your head around.

As the old saying goes, give a man a fish, and you feed him for a day. Give a man an untaxed license to farm Atlantic salmon in a Norwegian fjord, and you will feed him for a century. What could be learned in the autumn of 2022 the political solution remains a straightforward one: *Tax that fjord!* 🇳🇴



LVT & THE ENVIRONMENT

UK supporters of Henry George and others who advocate abolishing and/or reducing negative taxes and instead, collect land and other natural resource rents have a real opportunity to explain these arguments in discussions relating to the environment and with whatever grants will replace the Common Agricultural Policy (CAP) subsidies.

We know all too well that any government subsidies or grants will automatically capitalise into land value thereby pushing up the rents for tenant farmers and the selling price of farm land. If public money is to be used to rewild marginal farmland etc. then, I argue, the public should have common ownership of that land through a democratically managed national land owning body. I also believe that decisions on which land should be returned to wetlands or rewilded should be based on pro-active decisions taken by local authorities and local communities and *not* by farmland owners.

Even the EU recognised how CAP subsidies actually increase the value and therefore the price of land, benefitting land owners, not the farm business located on it. This means that all taxpayers have been subsidising big land owners through CAP subsidies to the tune of billions of pounds which in turn has encouraged mega farms and intensive farming methods that are helping to destroy the UK's rural environment.


Given some 50% of food produced in the UK is wasted while food banks are essential for a growing number of families is immoral and highlights how our economy has got it wrong. Indeed, our whole economy is skewed towards benefitting those claiming ownership of land and other natural resources, including owners of farm land, and the super-rich whilst penalising folk on low and middle incomes. If local and national governments moved to collecting natural resource rents, through a transparent, fair and redistributive system, instead of using negative, avoidable and distortive taxes, we would have a fundamental economic tool that would make us use all land (rural and urban) sparingly whilst returning the land wealth we all create to the public purse: land wealth is not generated from ownership but it is generated from our collective demand to use it for food, homes, public services, transport, businesses etc.

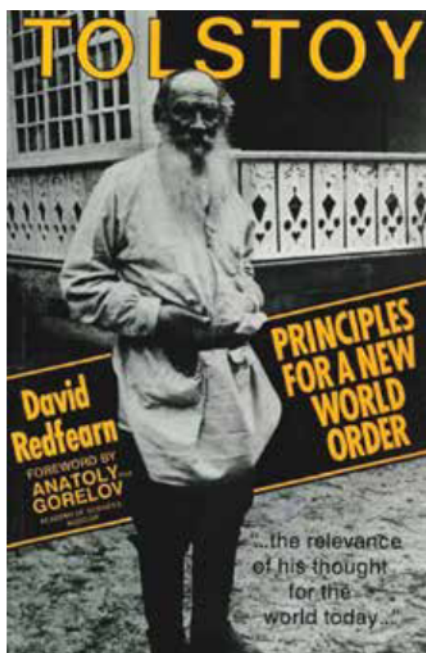
An annual Land Value Tax (LVT) applied to every site including farm land will make land owners use their land more efficiently and sparingly and together with much needed positive planning laws and good environmental based land use laws, we will all benefit from economic, environmental and social changes such a policy will bring about. With LVT, farmers will only farm the land they need and will release other land for new entrant farmers or, if it is not productive, then have it returned to wildlife habitats or wetlands with responsible public access. Villages and market towns have seen homes become unaffordable for more and more low and middle income earners because second homes and homes bought for holiday lets have pushed up house prices and rents. This reduction in a permanent local population has led to fewer customers for local businesses which have been forced to close and that has reduced local jobs – a vicious spiral of de-populating villages and small towns. LVT will stop land speculation which is affecting the price of homes and business premises in towns and cities and will bring idle development sites and empty buildings into their proper use and that will reduce the pressure to build on green land in rural areas.

Rural and urban land should be used for local food production, homes, businesses, leisure and recreation whilst protecting the environment and wildlife and not be seen as an investment by individuals and corporations. Real investment in our public services and in productive businesses - paid for by all of us as taxpayers, consumers and entrepreneurs – is what generates land value together with natural fertility. The many urban community based initiatives that not only produce and transport locally farmed food but connect us with nature, our communities and with each other offer beacons of hope where land is used based on local need and not for unearned wealth.

When we talk about our economy, we must also talk about our environment and social inequality as being part of the same issue. If not, we ignore how so many of us have become detached from nature and how our greed for more and more stuff to be produced and easily discarded is damaging our environment and leads to poverty, inequality and social unrest. For generations now, since most people have moved from working directly on the land and in cottage industries and have moved into commerce, manufacturing, public and private services etc., we have forgotten that access to land underpins every aspect of our lives. Land not only provides sites for homes, food, jobs, services, transport etc., it also provides everything we need to survive as humans – air, water, minerals, raw materials, airwaves, landing slots at airports, the ecosystems all life depends on and so on. We know that we can have a world free of plastics, pollutants and waste but we need the political will and courage of all governments to speed up how we can repair our environments and shift to an economic system that protects the earth from being destroyed in the name of economic 'progress'. We have to intertwine economic and environmental and social policies to find sustainable and fair systems the world over.

The fact that access to land has been restricted by those who claim ownership to it, and are still doing so with the privatisation – i.e. enclosure - of public spaces in our towns and cities, has not only controlled where we can or cannot live, walk or set up business but it has also enabled land wealth to be sucked out of our economy by a minority of the population. This very act has separated us from nature physically and emotionally. Too often, to talk about land today is only to talk about that part of land which we can see, meaning many politicians, economists and others ignore land and land value under homes or roads or hospitals or shops or offices or schools etc. So long as we praise those who make money from owning their land and celebrate rising house prices whilst ignoring the cost of rising rents for so many can only mean the continuation of an unfair and unequal society and ongoing misuse of land and other natural resources adding to the damage our environment is suffering.

By shifting the basis of taxation off earned incomes and on to land and other natural resource rents we would have a tool which would encourage us to use all natural resources in a manner that benefits the whole of society, economically, socially and environmentally. We still need other policies put in place that ensure positive planning, maximum recycling, renewable energies, easily repairable goods, local production and distribution of food and goods, affordable and efficient public transport, sufficient affordable, safe and good quality homes for all, the best education and health care services free for all and much more to ensure a fair and just society and clean environment. We need to remember that we are all a part of nature and not apart from it. 



**TOLSTOY:
PRINCIPLES FOR A NEW WORLD ORDER
BY DAVID REDFEARN**

Reviewed by Angela St. Clair

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Leo Tolstoy was a renowned Russian novelist and philosopher best known for his two longest works, *War and Peace* (1865–69) and *Anna Karenina* (1875–77). He was also a prominent thinker and advocate for non-violence, simplicity, and a form of Christian anarchism. He believed in living a life of moral and ethical purity, rejecting violence, and advocating social and political change through non-violent means. Tolstoy was a devout Christian, and his interpretation of the Sermon on the Mount had a profound impact on his life and work. He was a vegetarian.

David Redfearn's *Tolstoy: Principles for a New World Order* provides a comprehensive and highly readable overview of the life and work of Leo Tolstoy. He shows how Tolstoy regarded his most important work as making people aware of social injustice and freeing the world from spiritual degeneration and evil. Redfearn describes how Tolstoy put his genius into social observation. How he clearly saw the flaws of the social fabric that would lead to catastrophes in the 20th and 21st centuries.

He begins by discussing Tolstoy's early life and his upbringing in a wealthy aristocratic family. He then goes on to examine Tolstoy's military career, his religious conversion, and his development as a writer. He argues that Tolstoy's central theme is the need for a new world order based on the principles of non-violence, Christian love, and social justice. He examines Tolstoy's works in detail, showing how they explore these themes and offer solutions to the problems of the modern world. One of the strengths of Redfearn's book is that he sets Tolstoy's work in the context of his own life and experiences. He shows how Tolstoy's personal struggles and religious conversion shaped his views on society and politics. Redfearn also discusses the influence of other thinkers on Tolstoy, including Rousseau, Schopenhauer, and Nietzsche.

Of particular interest to readers of *Land & Liberty* will be the many chapters he devotes to the relationship between Tolstoy and Henry George, depicting their mutual respect and the influence they had on each other even though they never met.

Another strength of the book is that it is written in a clear and very engaging style. Redfearn avoids technical jargon and makes Tolstoy's complex ideas accessible to a general audience. He also includes personal anecdotes and insights, which help to bring Tolstoy to life.

An example is a description Redfearn gives of a couch in his study that was known as the 'eight-legged couch.' It was a large, comfortable couch, obviously with eight legs. It was Tolstoy's favourite place to sit and write. In its drawers, he kept the manuscripts he wanted to keep secret from his family. This eight-legged couch was more than just a piece of furniture; it was a symbol of his creativity and his commitment to his work. He spent many hours sitting on the couch, thinking about his writing and working on his novels. This was the couch on which he was born on 28th August 1828 and also many of his children.

Tolstoy's eight-legged couch was a place where he met with friends and visitors. He would often sit on the couch and talk for hours about his ideas and his work. The eight-legged couch was a central part of Tolstoy's life, and it played an important role in his writing. It was a place where he could be creative, think about his work, and meet with the people he loved. The eight-legged couch is still preserved at Tolstoy's estate in Yasnaya Polyana, Russia. It is a reminder of the great writer and the life he lived.

The very entertaining first chapter mentions Tolstoy's wild youth, his gambling debts, and his sets of tools which testified to his devotion to manual labour. Redfearn also mentions the letters to his wife which were only to be handed to her after his death! So many examples that Redfearn details make his book such an engaging read. Tolstoy becomes a real person.

Redfearn highlights much of Tolstoy's connection with Henry George and his ideas. He shows how a prominent thinker like Tolstoy living at the same time as George perceived his works. Also, how George was equally impressed by Tolstoy.

Tolstoy was first introduced to George's work in the late 1880s, and he quickly became a devoted admirer. He wrote that George's book *Progress and Poverty* was 'one of the most important books ever written' and that it had 'a profound influence' on his own thinking. Tolstoy agreed with George that private ownership of land was the root cause of poverty and inequality. He argued that land is a common heritage that belongs to all people and that no one has the right to monopolize it for their own private gain.

Tolstoy also agreed with George's proposal for a single tax on land. He believed that this tax would be the most efficient and equitable way to raise revenue for the government and that it would also help discourage land speculation and promote the more equitable distribution of land.

Tolstoy's writings on land reform had a significant impact on the Georgist movement in Russia. His influence can be seen in the work of many Russian Georgists, including the writer and activist Vladimir Chertkov. George was also very impressed with Tolstoy's work. He wrote that Tolstoy was 'one of the greatest men of the age' and that his writings were 'a powerful force for good in the world.'

HGF BRIEFING NOTES

George and Tolstoy never met in person, but they corresponded with each other on several occasions. In their letters, they discussed their shared ideas on land reform, social justice, and the meaning of life. Here are some examples of how Tolstoy incorporated Georgism into his literary work:

- In his novel *Resurrection*, the character Prince Nekhlyudov comes to believe that the only way to solve the problem of poverty is to implement a single tax on land.
- In his essay 'The Land Question', Tolstoy argues that private ownership of land is the root cause of all social problems, including war, crime, and poverty.
- In his book *The Kingdom of God Is Within You*, Tolstoy argues that Christians have a moral obligation to work for the abolition of private property in land.

In October 1910 on his last railway journey, Tolstoy occupied his time talking to fellow passengers about Henry George and the single tax.

Count Lev Nikolayevich Tolstoy died in 1910 age 82. Henry George Died in 1897 age 58. The deaths of Tolstoy and George were a great loss to the world of thought. They were both brilliant thinkers who made significant contributions to our understanding of society and the economy. Their ideas continue to be relevant today, and their work continues to inspire people around the world.

David Redfearn (1947-2013) was a scholar of Russian literature and thought and a leading expert on the work of Leo Tolstoy. He was appointed to the Chair of Russian Literature and Intellectual History at Oxford in 1997. Here are some of the positive reviews of the book:

Redfearn's book is a clear, concise, and well-written overview of Tolstoy's life and work. It is an excellent introduction to Tolstoy for those who are not familiar with him, and it will also be of interest to those who are already familiar with his work but want to learn more about his life and the ideas that shaped his thinking. ('The Slavonic and East European Review')

Redfearn's book is a valuable contribution to the Tolstoy scholarship. It is a well-researched and well-written book that provides a comprehensive overview of Tolstoy's life and work. Redfearn's analysis of Tolstoy's ideas is insightful and thought-provoking. ('The Russian Review')

Tolstoy: Principles for a New World Order is an excellent introduction to the life and work of one of the greatest writers of all time. It is a book that will be of interest to anyone drawn to Russian literature, philosophy, or social justice and, in particular, the connection with Henry George. 📖



FRIDAY MEETINGS

In the autumn nothing can really be compared to sitting at home relaxing with an interesting book. But it is also an option to add a social element to your reading by attending our Friday Meetings. These Friday study groups at Mandeville Place continue to play an important role in the activities surrounding the Henry George Foundation.

At the moment The Afternoon Study Group is led by Bart Dunlea, and it keeps its usual timeslot from 2:30 P.M. to 4:00 P.M.

Currently, the subject being covered is *The Science of Political Economy* by Henry George. The book has a very rich ethical and social focus throughout. In addition this central piece of work was the last book written by George, who died before the book was completed. The original publication was finished by George's son from notes before being published in 1898.

Go to: <https://us02web.zoom.us/j/83880666680>

Meeting ID: 838 8066 6680
Passcode: 544247

The Evening Study Group also remains in its usual timeslot from 6:45 P.M. to 8:15 P.M. The evening sessions are currently led by David Triggs.

Among other interesting subjects Triggs will review his experience at the Labour Party Conference, where he was promoting LVT as a representative of the Coalition for Economic Justice.

Go to: <https://us02web.zoom.us/j/87944408537>

Meeting ID: 879 4440 8537
Passcode: 603155

YOU CAN ALSO FIND THE HGF ON TWITTER (X)

Social media is here to stay. The Henry George Foundation is here to stay as well, and you can find us on the social media platform X, formerly known as Twitter.

If you are interested in seeing our tweets and keeping yourself updated on future HGF activities please follow us via:

@henrygeorgeuk 🐦

FROM CICERO TO AQUINAS

Henry George drew inspiration from many sources, including ancient history, literature, poetry and the Bible. Many of the early Georgists also drew inspiration ancient writers and philosophers cultivating a vision of justice in society, as Francis Neilson shows in his book *In Quest of Justice* published by the Schalkenbach Foundation in 1944.

We do not know for certain which particular ancient works George read, though he does refer to Marcus Aurelius and to Thomas Aquinas. Also there are passages in *The Science of Political Economy* which suggest a familiarity with the writings of Cicero. Here are two quotations, one from Cicero and one from Thomas Aquinas, which are in harmony with George's understanding of property, the importance of community, and his conception of justice.

CICERO ON JUSTICE

The first office of justice is to keep one man from doing harm to another, unless provoked by wrong; and the next is to lead men to use common possessions for the common interests, private property for their own.

There is, however, no such thing as private ownership established by nature, but property becomes private either through long occupancy (as in the case of those who long ago settled in unoccupied territory) or through conquest (as in the case of those who took it in war) or by due process of law, bargain, or purchase, or by allotment. On this principle the lands of Arpinum are said to belong to the Arpinates, the Tusculan lands to the Tusculans; and similar is the assignment of private property. Therefore, inasmuch as in each case some of those things which by nature had been common property became the property of individuals, each one should retain possession of that which has fallen to his lot; and if anyone appropriates to himself anything beyond that, he will be violating the laws of human society.

But since, as Plato has admirably expressed it, we are not born for ourselves alone, but our country claims a share of our being, and our friends a share; and since, as the Stoics hold, everything that the earth produces is created for man's use; and as men, too, are born for the sake of men, that they may be able mutually to help one another; in this direction we ought to follow Nature as our guide, to contribute to the general good by an interchange of acts of kindness, by giving and receiving, and thus by our skill, our industry, and our talents to cement human society more closely together, person to person.

Those who propose to take charge of the affairs of government should not fail to remember two of Plato's rules: first, to keep the good of the people so clearly in view that regardless of their own interests they will make their every action conform to that; second, to care for the welfare of the whole body politic and not in serving the interests of some one party to betray the rest. For the administration of the government, like the office of a trustee, must be conducted for the benefit of those entrusted to one's care, not of those to whom it is entrusted. Now, those who care for the interests of a part of the citizens and neglect another part, introduce into the civil service a dangerous element — dissension and party strife. The result is that some are found to be loyal supporters of one party, others of another party, and few of the nation as a whole. (*De Officiis*)

THOMAS AQUINAS ON JUSTICE

Justice directs man in his relations with other men in two ways: firstly as regards his relation with individuals, secondly as regards his relations with others in general, in so far as anyone who serves a community, serves all those who are included in that community. Accordingly justice in its proper acceptation can be directed to another in both these senses. It is evident that all who are included in a community, stand in relation to that community as parts to a whole; while a part, as such, belongs to a whole, so that whatever is the good of a part can be directed to the good of the whole. It follows therefore that the good of any virtue, whether such virtue direct man in relation to himself, or in relation to other individual persons, is referable to the common good, to which justice directs: so that all acts of virtue can pertain to justice, in so far as it directs everyone to the common good. It is in this sense that justice is called a general virtue. And since it belongs to the law to direct to the common good, it follows that the justice which is in this way styled general, is called "legal justice," because thereby everyone is in harmony with the law which directs the acts of all the virtues to the common good. (*Summa Theologica* II-II, q. 58)

No gathering of ancient quotations on justice can be complete without including Aristotle. Here is one from his *Politics*, a work with which every Georgist ought to be familiar:

ARISTOTLE ON JUSTICE

Since in every art and science the end aimed at is always good, so particularly in this, which is the most excellent of all, the founding of civil society, the good wherein aimed at is justice; for it is this which is for the benefit of all. (*Politics* 1282b 15)

The English actor and playwright Francis Neilson was a leading Georgist and a British MP, elected to Parliament in 1910 where he worked for the introduction of the land value tax. Later he went to America and lectured at the Henry George School of Social Science. His *In Quest of Justice* gathers together the lectures he gave there in 1943 - 1944. The book is in print but also freely available on the cooperative individualism website. Here is a quotation from Aristotle that Neilson gives in the first lecture in which he traces justice as a universal law of nature to be found in ancient traditions around the world:

God, then, as the old story has it, holding the beginning and the end and the middle of all things that exist, proceeding by a straight path in the course of nature brings them to accomplishment; and with him ever follows Justice, the avenger of all that falls short of the Divine Law — Justice, in whom may he that is to be happy, be from the very first a blessed and happy partaker. (*De Mundo* 401b 15)

For Neilson the quest for justice ought to be the first concern of any society, and he laments how this is no longer so in his times: 'Imagine how low we have fallen in intellectual attainments when the wisdom of China, India, and Greece is superseded by the schools whose chief function seems to be to fit a boy to make a living! ... There must be a revival of interest in the search for justice begun by Socrates! The same could be said for our own times eighty years later. Our age is ruled by the belief that if each pursues their own self-interest a common benefit will arise by itself. George refuted this ethic proposed by Adam Smith and pointed out that only through seeking the good of all would the interest of the individual be attained. ■

...AND IN ALL ITS PARTS IT SHOULD
BE KEPT AS CLOSE TO THE PEOPLE
AND AS DIRECTLY WITHIN THEIR
CONTROL AS MAY BE.

”

Henry George,
Social Problems, 1883



To find out more visit
www.henrygeorgefoundation.org
or
www.landandliberty.net

Our Philosophy



What is Land&Liberty?

Land&Liberty, a quarterly magazine published by the Henry George Foundation, has chronicled world events for over 100 years. Dedicated to promoting economic justice along lines suggested by the American writer, social reformer and economist Henry George, it offers a unique perspective to stimulate debate on political economy through its reports, analysis and comment.

Who was Henry George and what is special about his ideas?

In 1879 George published one of the best-selling books on political economy ever written, *Progress and Poverty*. By the twentieth century the wisdom he expounded was recognised and supported by many of the world's most respected thinkers including Tolstoy, Einstein, Churchill, Huxley, Helen Keller, Woodrow Wilson, Stiglitz, Friedman, and Sun Yat-sen. Today, as the world faces environmental and economic crises, we believe George's philosophy is more relevant than ever. But, as George foresaw in *Progress and Poverty*, and is inscribed on his gravestone:

"The truth that I have tried to make clear will not find easy acceptance. If that could be, it would have been accepted long ago. If that could be, it would never have been obscured."

Today, Henry George is mostly remembered for his recognition that the systems of taxation employed in his day, and which continue to dominate fiscal policy in the UK and throughout the world, are unjust, inefficient and ineffective.

He saw how taxes discourage wealth creation, positive economic activity and employment, and prevent people and nations from realising their full potential. By ignoring property rights they constitute theft and encourage dishonesty and environmental abuse. In short, as a method of raising public revenue, they fail. By offering an alternative, George also showed that taxes are unnecessary.

George realised that some land at particular locations acquired a value that was not due to the actions of any individual or firm but was due to natural influences and the presence, protections and services provided by the whole community. He saw that this value grows as the need for public revenue grows and is sufficient to replace all existing taxes. This could be collected by levying a charge based on land values and is commonly referred to as land value tax or LVT. However, George was clear that this is not actually a tax but is a rental payment individuals and groups need to pay to receive the exclusive use of something of value from the whole community, i.e. the exclusive possession of a common, limited and highly-valued natural resource.

Henry George's ideas were not limited to his proposal to change taxes. His

profound body of theory also included issues such as: the difficulties inherent in the study of political economy; the fundamentals of economic value; a proper basis for private and public property, trade, money, credit, banking and the management of monopolies.

Key to 'the truth' that Henry George tried to make clear is that every thing is bound to act in accordance with the laws of its own nature. He saw these laws of nature as operating everywhere, at all times, and throughout a creation that includes man and society, and the worlds of body, mind and spirit. Furthermore, that people and societies can only behave ethically and succeed in their own designs when they are cognisant of, and act in harmony with, those natural laws.

This magazine is free, as are the meetings and classes of its publisher, the Henry George Foundation. However, we rely entirely on charitable donations from members, supporters and friends to survive.

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The Henry George Foundation, PO Box 6408, London, W1A 3GY
or email editor@landandliberty.net

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HSBC Bank, Belgravia Branch, Sort Code 40-06-03, Acc. No. 51064320 or by PayPal through our website: www.henrygeorgefoundation.org

If you are a UK tax payer you can make your donation go further by making a Gift Aid Declaration. We get an extra 25p from HM revenue and customs. To make your donation Gift Aid please tick the box and sign below:

Today In the past four years In the future I am a UK taxpayer and understand that if I pay less Income Tax and/or Capital Gains Tax than the amount of Gift Aid claimed on all my donations in that tax year it is my responsibility to pay any difference.

Name _____

Address _____

Signature _____

Date _____

If you are able to commit to a regular donation through a standing order that would be particularly welcome.

STANDING ORDER: Please complete and send to:
The Henry George Foundation, PO Box 6408 London W1A 3GY (Not to your bank)
To: The Manager (name and address of bank)

Post Code _____

Please pay: The Henry George Foundation of Great Britain A/C 51064320
Sort Code 40-06-03 at HSBC Bank, Belgravia Branch, 333 Vauxhall Bridge Road
on __/__/__ (date) and then every succeeding month quarter year
and thereafter until further notice or __/__/__ (date) the sum of £ _____

My Account No. _____ Sort Code _____ Name of Account _____

Holder _____ Signed _____

