

# STARTLING LOSSES

MANY YEARS ago, while working in a West End estate agency, I discussed with my employer the insurance of his house in Hampstead. I suggested that there was no need to cover it for the full purchase price of £50,000 (equal to about a quarter of a million today), because at least half of that must be the site value. Why waste money insuring something which could never be destroyed?

He said I had a point. I then said, having just read *Progress and Poverty*, that if Henry George's system of land value taxation were in operation he would not have had to fork out anything like £50,000 in the first place.

He said: 'Yes, that is an old one!' — and then instructed me to send off the premium. Well, it certainly is an old idea, dating back at least a thousand years, and as Oliver Smedley reminds us in his latest little book *Land*, it is high time those who ought to know, but choose not to, were again prodded into realising the truth contained in his sub-title 'Privately Appropriated Public

## By Robert Miller

### Property'

Chapters include the historical background, Henry George's analysis of the problem, the principles of site value taxation, its practice in other countries, and the numerous attempts to get something done about it here.

Being a chartered accountant, the author has obviously found less difficulty than some in producing what he calls a "hypothetical exercise ... for the experts to get their teeth into the meat of the proposition".

The figures, though startling, are valid enough to illustrate beyond reasonable doubt the astronomical amount of income the State continually loses to the private absolute owner of land.

If the Inland Revenue should want to confirm or disprove Mr. Smedley's figures, they have

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readily at hand the well oiled machinery which can tell the Chancellor in double quick time how much he could raise by imposing a tax on, e.g. cats or candy floss.

In his chapter on the 1986 Green Paper *Paying for Local Government*, which recommends the introduction of the Poll Tax, he shoots that idea down in flames in his own sizzling way, and ends by saying it is "well worth reading if only as the strongest possible argument in support of site value rating". Imagine that as a press comment on the jacket of a book!

An interesting point occurs to me in his letter to the Pope which he quotes as an appendix. In the passage concerning "natural resources", the term appears the second time as "national resources". Is this a misprint, a fortuitous reminder that, in the context, the two words are synonymous?

Except for a little piece on immigration, I found the book entertaining, instructive and convincing.

*Progress and Poverty* he had warned of a time when "the sword will again be mightier than the pen and in carnivals of destruction brute force and wild frenzy will alternate with the lethargy of a declining civilization." Immediate land reform was imperative George argued if such a catastrophe was to be avoided. This sense of urgency and expectation was given substance in the Scotland of 1884 by the Third Reform Act. By enfranchising the crofters amongst others the Act threatened a political revolution in the Highlands with a real possibility of radical land reform to follow.

George's reputation peaked in Britain by the end of 1884 and two years later in America with his Labor candidacy in the New York mayoralty election. His condemnation of the Chicago Anarchists in 1887 lost him considerable socialist support on both sides of the Atlantic. His influence on the radical wing of the Liberal Party, however, proved more enduring. In 1889 he returned briefly to Britain as an informal adviser and field general of the Liberal land reform strategy. The taxation of land values remained high on the Liberal legislative agenda and fueled the Lloyd George People's Budget controversy of 1909.

George was an important transitional figure in the history of transatlantic social reform. His assault on the stagnating science of political economy helped to break down deep-seated antagonism to economic

action by the state. Although the single tax was essentially a piecemeal programme it attracted a wide spectrum of radicals and encouraged the nascent British socialist movement. By shattering working-class illusions about American democracy George also helped initiate a fruitful and often overlooked period of cooperation between American and Scottish labour.

At the same time, George represented the culmination of the mid-nineteenth century humanitarian reform tradition. He drew his inspiration and his insistence on immediate reform from the principles of radical abolitionism. Indeed his campaign was an attempt to extend the moral logic of Garrisonian anti-slavery to the problem of private property in land. His skill in arousing British working-class consciousness was due partly to his membership of the fourth estate and partly to his own struggle for self-education. He was as William Morris noted "a man rising from among the workers." His modesty, sincerity and almost mystical religious conviction impressed all who met him.

Late in life he was interviewed by a reporter from the New York Sun. Charles Dana, the paper's editor refused to print the result. Instead he summoned the reporter to his sanctum telling him, "you sound like Wendell Phillips reporting Saint John the Baptist. I told you to see a Mr. Henry George."