

German Georgists highlight Money Question

To the best of my knowledge, there is only one organization in Germany which can be regarded as semi-Georgist. The *Seminar fuer freiheitliche Ordnung* (Society for a Liberal Social Order), which has its meeting-house near Stuttgart, commemorated the centenary of Henry George's death with a two-day meeting in conjunction with a Swiss group.

The Seminar publishes a bimonthly journal, *Fragen der Freiheit* (Questions of Liberty), which protocols many of the talks given at their meetings. The academic standard is high but they are not good at publicizing their existence; I had been in Germany eleven years before I found out about them.

Their economic philosophy is dominated by Silvio Gesell's proposals from the '30s for a reform of the money system. This viewpoint assumes that the liquidity preference for money leads to its being hoarded, to the detriment of purchasing power, and that what is needed is a currency which is deliberately devalued after some time in order to motivate people to spend. Most of the Seminar's efforts are directed at propagating this message, the sheer irrelevance of which is now heightened by the imminent arrival of the Euro. Two of their three directors, however, are on record as declaring that the Land Question must be resolved before the Money Question can be tackled, and I hope to persuade them to follow their own logic by concentrating on land in future.

They firmly believe that rent should be redistributed as a social dividend, the state being financed by progressive consumption taxes. I have my problems with this, since I regard so-called consumption taxes as effectively trade taxes. They do, however,

support the abolition of taxes on labour and trade.

More controversially, they believe compensation should be paid to property owners in some cases. This plea overlooks the fact that the full public recovery of rent will not come about overnight, or within the lifetime of a government, but will necessarily be achieved after decades of arguing the case and decades of resistance from vested interests. During this time the percentage of rent collected will fluctuate.

Some thirty people attended the centenary gathering. Many of them had come from far afield, and the Swiss co-organizers were also represented.

The first talk I attended was by one

of the Seminar's directors, Fritz Andres. It was an impressive exposition of the Land Question, proceeding from first principles and illustrating what he terms the three levels of land tenure systems: the planning level, the allocation level for user rights, and what I would translate as the rental-value level.

The second speaker was a young Swiss, Dr. Maarten Willensen, who got into Georgism some five years ago when Mason Gaffney addressed the Liberal Club in Zurich. It was an impressive contribution, during which he appealed to those present to devote far more energy to the Land Question. Unfortunately his talk was not included in the relevant edition of *Fragen der Freiheit*.

Hanno Beck reports from Washington, DC Tax Shift Advocates Convene

TWO EVENTS held in Washington, D.C. emphasise the new significance in the movement for "tax shifting". The Center for a Sustainable Economy hosted a strategy session on "Promoting a Sustainable Economy through the Tax Code", followed by a National Symposium on Tax Shifting hosted by Redefining Progress.

These events, each attended by 75 people, highlighted the increasing interest in environmental tax reform. Energy taxes, taxes on carbon emissions, water effluent charges, etc., have been discussed for decades, but only during the last six years have these ideas been advocated within the context of a "tax shift." A shift of tax burdens onto natural resource use and away from labour and/or capital impresses many environmentalists and economists as a win-win proposal. Slogans such as "tax bads, not goods" and "tax waste, not work" find popular agreement.

The environmental movement increasingly looks to tax shifting as a source of major new advances in conservation and sustainability. Several European countries have already put

significant tax shifts in place, as have some smaller government units in the US and elsewhere. Spokesmen from all major political parties in the UK have endorsed some form of tax shift.

The earliest explicit call for such a shift in tax burdens, away from labour and capital, and toward environmental privileges, was made in 1879 by economist Henry George. The environmentally-motivated tax shifters, however, do not trace their strategy back further than the early 1990s.

Some 27 speakers told of their research findings and campaign experiences. Some of the discussions were bogged down by considerations of economic model details, but advocates from Minnesota and Vermont related real-life stories from their tax shift campaigns which are still in progress.

Near the root of the tax shift concept is a principle called "polluter pays": he who pollutes the environment ought to bear the responsibility for cleaning it up. When cleanup costs are

Continued on page 7