

The Progress of Henry George Ideas in the U.S.A.

A Fifty-year Survey

By John J. Murphy

Fifty years have now elapsed since first the humble San Francisco printer flung in the world's face his challenge to the social injustice which had been built into the very foundations of the Temple of Civilization, embedded so deep that there seems some justification for the cry that to eradicate it will bring our institutions down about our ears. As the birthplace of the man who first clearly diagnosed the social cancer and offered an obvious remedy, all eyes turn to America, and we are invited to explain what we have done with the talent which has been committed to us, who have had in our ranks so many great men and faithful adherents who stood around Henry George in the brave days of old.

It is clearly no function of this paper to deal with anticipations of the single-tax doctrine nor with forerunners of the man, George. It must content itself with a brief account of what happened after Henry George came to New York with his fateful book in type. We can now see that there were certain fortuitous circumstances which helped to give the book a vogue, not to be hoped for at another juncture. The horrors of the Irish Land War then raging caused the land question to be studied as though the land question in that country presented phenomena different from elsewhere. In 1883 American labour organizations first began to assert themselves. In 1886 came the great New York mayoralty campaign which first flung economic issues into a purely local struggle. Henry George realized that the contest held out no prospect of success, but hoped for, from it, a better advertisement of his views than could be achieved in any other way. He received seventy thousand votes according to the record: but in those days the poll was often at wide variance with the facts; the purpose sought for was accomplished; the daily periodical press widely disseminated the outlandish doctrine which Henry George was trying to disseminate. If his opponents strove to misrepresent and malign, not a great percentage of his actual supporters could clearly grasp his very simple doctrine; but it was nevertheless true that a large proportion of the active single-tax leaders in America date their adherence to the movement from 1886.

It brought into the movement a man whose name has ever since been held in great affection by all single taxers—Edward M'Glynn, a parish priest of a populous parish, who resisted all threats of ecclesiastical punishment to compel him to desist from supporting Henry George. Out of his case arose the circumstance that the Roman Catholic authorities at Rome formally considered the doctrines of Henry George and declared that they contained nothing "contrary to faith and morals." Dr M'Glynn was formally restored to his full priestly functions without retraction of any views which he had expressed, merely expressing his regret if in the heat of argument he had said anything obnoxious to Christian charity. During the progress of this case the famous "Anti-Poverty Society" was organized, and afforded a platform for the presentation of fundamental economics such as had not previously existed. All through this stirring period one of the conspicuous figures of the movement was the present President of this Conference, Charles O'Connor Hennessy, who is by far the most eminent survivor of that thrilling epoch.

Of the work done from 1890 to 1897, when Henry George entered upon his second mayoralty campaign, there is only space to make a passing reference. Sporadic attempts had been made in some municipalities to abolish personal property taxation and to convert to single-tax doctrines some states, of which Delaware, because of its minuteness and its almost exclusively urban population, was a conspicuous example. In Colorado an aggressive campaign under Senator Bucklin was waged; while in Massachusetts Charles B. Fillebrown, a manufacturer of Boston, persisted in a campaign of sweet reasonableness with the object of "taking into camp" leaders of various lines of thought in the community. The conspicuous figure of the next period was a man who was as well known here as in America, and who did yeoman service for the cause—the late Joseph Fels, who thought that he saw in the State of Oregon a broad opportunity for the submission to the people of a constitutional amendment. A vigorous campaign was waged, but the results were not specially encouraging. Great public interest was manifested, more votes being recorded on the single-tax amendment than on any other question submitted at the several elections. The net result, however, was the rejection of the several amendments by a vote approximating two to one.

A number of Western States, especially Washington, made like experiments. The city of Everett adopted the exemption of personal property and improvements from taxation by a vote of approximately two to one. In 1913 the State Tax Commission declared the amendment in conflict with the constitution, and directed the assessor to ignore it and to proceed with the assessment as usual. He obeyed; the single taxers made no contest, and apparently the matter has been allowed to lie in abeyance since then.

Missouri was the scene of a bitter struggle in 1912, leading at some points to displays of physical violence against single-tax speakers. Colorado has been for a long time a battle-ground, and continues to be under the captaincy of Barney Haughey; we had the report recently of a new fight which sought to link together old-age pensions and taxation of land values by making the latter the source of payment of the former. A good deal of valuable propaganda has been done, but with the result that no considerable dent has been made in the dense skull of public opinion. To go in detail into what has been sought to be accomplished in New York and Pennsylvania would lead me far beyond the space allotted to this paper, but brief references can be allowed.

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New York is perhaps the city of all others in the world which, when rightly viewed, has shown forth the efficacy of the single-tax doctrine, because of the wonderful consequences which have followed from the modicum of single-tax ideas which it has adopted. There does not appear to be any direct connection between the adoption of these ideas and the two campaigns which had been waged by Henry George in 1886 and in 1897, except that the man to whom we owe the adoption of the policy had been an active supporter of Henry George in both campaigns. I refer to Lawson Purdy.

In 1901 a combination of Republicans and Independents won the election which determined the municipal administration of New York for the two ensuing years. Coming into office after a notoriously corrupt and profligate administration, which had exhausted the city's borrowing capacity, the new Reform Administration found itself incapable of redeeming the pledges for municipal improvements which it had made to the people. It was pointed out that the city's credit was ample to carry out the reforms projected, but action was hampered by the fact that real estate was not assessed at its full value as required by law, and that, if it were so assessed, enough money could be borrowed to realize the programme. The suggestion was accepted by the administrative officials, and the policy of advancing assessment toward full value was begun. Tom Johnson was then striving to put the city of Cleveland on a sound taxation basis, and the President of the New York Department of Taxes and Assessments was induced by Mr. Purdy to make a visit to Cleveland. What he saw there so impressed him that he urged the adoption of the same method for New York, and actually put into effect as much of it as could prudently be done. A few years later, by another turn of the wheel, Mr. Purdy became President of the Department of Taxes and Assessments, and for eleven years filled the office—an unprecedented term in American municipal politics for a man not protected by civil service classification. Realizing that revolutions are rarely productive of lasting good, he cautiously effected improvements from year to year, so that at the end of his term in 1918 he had perfected the most efficient municipal taxing machine in the country. The employees still look back to it as their "golden age" in an administrative sense, because they had at their head a man who understood the business down to the smallest detail—a man whose sense of justice was so highly developed that when, as sometimes happened, a citizen through a misunderstanding of the law was offering to pay more taxes than he was legally required to pay, he did not hesitate to tell him so.

As the result of these circumstances we got as near to full-value assessment as it is ever safe to go; we got the land-value maps which enable every citizen to compare his assessment with his neighbour's, and which is the greatest preventive of discrimination and favouritism ever devised. These were the methods by which it came about that we were taking, before the war, 35 per cent of the annual land value of the city for public purposes. And upon this result followed another inevitable consequence—that land speculation in the sense of holding land idle for a profit ceased, and, except in sporadic instances is non-existent to-day. Its effect was seen when in 1920, in order to resuscitate the torpid housing industry which the war had reduced to inanition, the legislature permitted the exemption of improvements, erected for residences, for a ten-year period, building contractors leaped into the field and began to file plans at the rate of six million dollars a week, and have kept it up until

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recently. Here is the real reason why New York has for so long had no serious unemployment problem even when other cities in the United States had. And this is the reason why we have been able to a large extent to take care of our housing problem, without subsidies from either State or Federal Governments. Of course no claim is made that the millennium has been attained, but any substantial instalment of a right policy must work for the public good, and it has done so here.

Pennsylvania, though justly rated as one of our most conservative states, has taken the longest stride in the direction of permitting the experiment of exempting improvements to be tried in a cautious fashion. The step was taken in Pittsburgh and Scranton in 1913, and by the present year things have reached a pass in which land values are taxed presumably on full value, while improvements are taxed at 50 per cent. There is no serious movement to go back to the old system. It is very difficult to produce exact statistics as to the precise effect of the changes, because undoubtedly in America the war brought about stagnation in land values. In New York it appeared from the reports of the Department of Taxes and Assessments that the value of land did not increase between 1913 and 1923 as much as 1 per cent per annum. On the other hand, the value of improvements rose enormously in depreciated dollars. It will be seen at once that this would hopelessly complicate matters, because, while the valuations of buildings were being diminished, their value in dollars was going up, and hence there is some ground for argument as to what was actually accomplished; but there is none at all as to the ultimate benefit and its beneficial effect on the building industry, and where the building industry thrives the community prospers.

To sum up, therefore, it must be admitted that the single taxers of the United States have given their fellow-citizens a number of opportunities and cogent arguments to cause them to modify their constitutions and statutes in the direction of a juster social order. The fact that nowhere in the United States has Henry George's dream been realized is not their fault. They are entitled to say with the character in Addison's play—

“ 'Tis not in mortals to command success;
But we'll do more, Sempronius: we'll deserve it.”

Public opinion has been profoundly, if unconsciously, modified. More and more is the principle recognized that the landowner should justly be called upon to pay for public improvements which enhance the value of his land. At least half the states have separate assessments of all lands. In states where this is not obligatory by law, city ordinances or action taken by assessors require it. Many states publish tabulations showing separately land and building values.

A man of great experience in this line of work, Mr A. C. Pleydell, a member of the Shalkenbach Foundation, computes that more than twenty billions of land values are separately assessed.

In general it may be stated that, during the World War and since its conclusion, there has been little effort to affect taxation—national, state, or local—by legislation. Unlike the adherents of the other schools of economic thought, single taxers have been unshaken in their loyalty to their fundamental principles. The various enclaves, such as Fairhope Arden and Fahauto,

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have continued their efforts to give practical illustrations of the working of single tax in so far as existence in a hostile environment would permit. The Manhattan Single Tax Club of New York continues to function mainly through the personal activities of James R. Brown. The Henry George Lecture Bureau is still sending its lecturers throughout the country, the principal speakers being John Z. White and George H. Duncan, who is a member of Legislature of New Hampshire. The Henry George Foundation of Pittsburgh has been holding successful annual conferences since its organization three years ago, and has secured control of the birthplace of Henry George in Philadelphia. The Robert Shalkenbach Foundation, organized to carry out the terms of the will of the late Robert Shalkenbach, has been devoting such funds as are presently at its disposal to the partial support of recognized single-tax propaganda agencies, but is in the main concerned with keeping the works of Henry George in print. A new edition of *Progress and Poverty* is just off the press, and copies will probably be on sale at this conference.

A party known as the Commonwealth Party has been organized in some states to present for public suffrage candidates pledged to the support of single-tax principles. The men engaged in the work include some of the most devoted men in the movement, but they fail to obtain the general support of single taxers, nor have they been able to attract any considerable measure of public attention.

So far I have dealt with what may be called the credit side of the work for the progress of the movement. It would be disingenuous to ignore the existence of hostile forces. These may be divided into two main groups, the business and the intellectual.

As might have been anticipated, the prevalent craze for organization and centralization in the United States has brought into the field Chambers of Commerce and Real Estate Boards which have begun to direct public attention to what they call the overburdening of real estate, and have opposed the laying of additional taxes on land values. So far they have not had any very clear purpose except the protection of property in general from what they dimly diagnose as socialism.

The intellectual group is more dangerous, because it better understands our purposes and is working to poison the wells of knowledge by injecting into the text-books of the schools and colleges of the United States false doctrines, upholding the claims of monopolies, not only in land, but in the various public services and power franchises now constituting the most burning question before the people of the United States. Propaganda was but dimly understood before the war, but since the cataclysm it has assumed undreamt-of proportions. I do not know that any computation has been made of the money cost of the propaganda industry, but it is of huge proportions; like secret service money used by governments, it is used surreptitiously and insiduously, and hence its proportions are difficult to gauge. It is the most serious menace that popular government faces to-day. As long as government was based upon honest public opinion, even though mistaken, there was hope that democratic institutions would correctly solve popular problems. But if the very basis of popular government, which well-informed public opinion is, be attacked, where shall we look for salvation?

In all the foregoing no word has been said of the other cause which came

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next after the taxation of levied taxes in Henry George's affection—Free Trade. There is no free trade movement in the United States. For forty years there has been no active popular support for it. The persistence of debasing poverty in Great Britain, in spite of nominal Free Trade, left its advocates with a convincing argument that the issue was fundamental. The Democratic Party has paid it no more than the homage of the lips. Now it has ceased even that. The position of surrender taken in its last Platform was merely a recognition of the state of the public mind. So completely is it a dead issue that the organizations created for the purpose of upholding protection are no longer able to earn a living, and may be said to be existing on a sentimental charity. It is not for me here to deal with the causes of this deplorable state of affairs. From present indications the demand for even a modified freedom of trade is coming from a wing of the Republicans, who have enormous interests in the repayment of the war debts, and who are intelligent enough to see that this cannot be accomplished if we are to maintain our present merchandise exclusion policy. But there will not be a vestige of a moral issue in such advocacy. Morals have no place in the dominant economic philosophies, or at least in their practical applications.

I wish I could present a more optimistic picture. A nation inflated with *universal* prosperity, which, according to our present Secretary of Labour, James J. Davies, means 14 per cent rich and 86 per cent living on wages below the computed cost of living, has no time to think about economic political reforms based on justice and fair dealing.