

Henry George News

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The Earth is the birthright of all.

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A PRESIDENTIAL COMMENTARY

One might not consider the present the most suitable time to actively promulgate the Georgist economic philosophy, with its emphasis on solving the Problem of Poverty. *Poverty?* Business is thriving, unemployment is down, incomes are up, inflation is controlled, and Wall Street is more bullish than ever. Why rock the boat when we are apparently enjoying the best of times? Or are we?

Not all of us, it seems. If we look somewhat beyond the front pages of our journals, proclaiming the blissful prosperity enjoyed by those it comforts, another picture emerges. Smaller headlines and less exuberant reports reveal news not so welcome: that not all *boi polloi* (we, the people) share in the prevalent economic boom. Thoughtful observers point out that the division between so-called haves and have-nots keeps widening constantly.

Once those basking in luxurious living were millionaires; nowadays billionaires are no longer rarities. Meanwhile, those at the lower end of the economic order become less and less able to afford the necessities of life.

As long as so vast a difference exists between the affluent and the dependent, just so long does essential economic poverty prevail. This is the signal we must recognize, inspiring us to vigorously carry on the mission to which we are devoted: through extended education to teach, preach, and promote, as effectively as we can, knowledge of Henry George's economic principles. The need is urgent and the time is *now*. Let's continue the good work. Happy New Year!

SYDNEY A. MAYERS

President, Henry George School of Social Science

LVT at UN Forum

Bruce W. Oatman/HGS Instructor

The United Nations was the setting this past September for a well-received presentation of tax policy reforms by three Georgist organizations — the *International Union for Land Value Taxation*, the *Center for the Study of Economics* and the *Robert Schalkenbach Foundation*. The occasion was the annual gathering of up to 800 non-governmental organizations (NGOs), all of which are accredited to the UN.

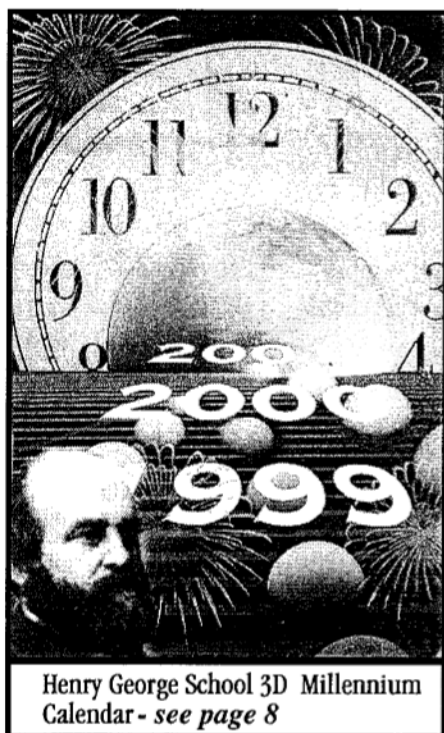
Alanna Hartzok, of the International Union, presented some imaginative reworkings of various land-tax ideas by a wide range of contemporary groups. These included the imposition of "extraction fees" on such non-renewable resources as soil and minerals, "user fees" for hydropower

projects, and pollution permits for activities that sully the air, land and water. These fees and permits are intended to prompt industries to devise more efficient, and less intrusive, ways to create their products while maintaining an environmental balance; the fees themselves would also promote distributive justice by returning to the communities a larger share of land rent.

To me the most promising aspect of Alanna's presentation was her description of the degree to

which Georgist ideas are finding acceptance (albeit in sometimes attenuated form) by sectors of the environmental, or "green" movement. She cited such green groups as the *Sierra Club* and the *Northwest Environmental Watch*. I person-

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ally believe that Georgists with an activist bent might do well to become involved with the green movement, if only to offer these groups a more systematic appreciation of the rich legacy of the land-value tax idea.

Next, Josh Vincent of the *Center for the Study of Economics* told us of the tragic story of the ways in which 18 Western Pennsylvania communities were ravaged 20 years ago by the wholesale closing of factories and the inevitable consequence of rising unemployment rates and population losses. These communities, including Pittsburgh, were revived by a subsequent adoption of a two-rate tax system, shifting the burden of taxation away from buildings and onto land values.

The CSE has amply documented the dramatic rise in productive economic activity in those communities that went two-rate compared to those communities that did not. Thanks to the success of this Pennsylvania experiment, five state legislatures are presently considering similar shifts in their tax policies.

Next up was Ted Gwartzney of the *Schalkenbach Foundation*. Ted capped the previous presentations by painting a picture of a world in which all public finance proceeded from Georgist principles.

In such a world, far different from our own, low inflation and high employment could co-exist; private incentives could be pursued within the general context of social equity; improved public services and lower taxes would not be ideas in contradiction. Public spending on infrastructure, such as bridges and subways, would no longer create a public-debt burden. User fees and rent collected from the increased land values that would be created by such improvements in transportation could cover the entire cost of these services. Infrastructure could easily be made to pay for itself.

Ted then expanded the scope of this picture by including the beneficial effects of land value taxation for other countries. However poor, any country could become self-sufficient in providing private investment capital from its own internal resources — simply by removing taxes on productive capital, income and savings and shifting them to land values.

Ted, who has been to Russia several times as a consultant, concluded by recounting the results of trips there and the chances of that country adopting Geo-fiscal land policies. His assessment: the chances of that happening are the best they've been since Leo Tolstoy hailed Henry George as the guiding spirit of his age!



Archival Illustrations

Stained Glass Window, 1901
at the house of William Trueman, President of the Single Tax Club, New Haven.



Official Badge, 1916
of the New Zealand Single Tax League for an international conference.

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A list of prior failed attempts to develop Georgia includes Sir Robert Heath (a 1629 grant from Charles I), eight wealthy Lords Proprietors of the Carolinas (a 1663 grant from Charles II), and Sir Robert Montgomery (a 1717 grant from the Lords Proprietors). This was *contested* land, indeed.

Now.... James Oglethorpe and a group of trustees would manage a chartered corporation-but not for profit. Their revenues would come from contributions, subscriptions and their own personal fortunes. None could own any land in the new colony named after the king.



Engraving of Oglethorpe

Despite the standard histories which characterize Georgia as a debtors colony, only eleven such families ever were released from debtors prisons to settle there. The first one hundred and twenty-five settlers were English and Scot artisans and tradesmen, who possessed the desperately needed colonizing temperament and skills. They were soon followed by persecuted European protestants, Saltzburghers and Moravians. Significantly, the emigres came in groups,

not as individuals striking out on their own. And they settled on tracts of land already selected and laid out for them.

The standard histories do, however, correctly cite the fact that a dear friend of Oglethorpe had died in debtors prison and Oglethorpe sub-

sequently called for an investigation into conditions within British jails. The histories also mention that Parliament appointed Oglethorpe to investigate two prisons, Fleet and Marchelsea in England.

The corporation paid for the transportation and establishment of the first settlers. Soon General Oglethorpe found it wise to establish Fort Frederica and fight Spanish troops at the Battle

of Bloody Marsh — using his personal fortune to fund the campaign — in order to secure the settlement for the British Empire. As a result, Spain abandoned its ambitions north of St. Mary's river (which had become the *de facto* northern boundary for Spanish Florida). Thus after 1742, the Crown had achieved its strategic goal at no expense to its own treasury.

Before the Trustee period the grant changed hands as successive schemes failed.

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