

"Corruption": Con or Conspiracy?

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WAS THERE a concerted effort to suppress the wisdom of Henry George? This is the allegation by California economist Mason Gaffney, who has characterised the attack on the 19th century American social reformer as a "stratagem".¹ Some critics regard this claim as too strong an explanation for the way in which fiscal policy has been distorted in favour of exempting the rent of land.

A "conspiracy" can come in various forms. A recently revived example from the late 1930s was the way in which George Orwell's book *Animal Farm* was rejected by a succession of publishers because it used satire to attack Stalin's Soviet Union. The book was not turned down for literary reasons, but because the British Establishment did not want to antagonise an ally. Publishers were not censored. They were free to publish. Instead, they responded to the whispers in their ears by repeatedly rejecting a book which was to become an English literature text for schoolchildren. Orwell's analysis of the resistance to his MS appears in the introduction to the latest edition of *Animal Farm*.

A more recent example of how vested interests can shape public discourse - and therefore political action - is the ostracism of Noam Chomsky, a linguistic philosopher at Massachusetts Institute of Technology. He gained a reputation as an outspoken critic of US foreign policy during the Vietnam war. Chomsky can still pack a public auditorium today, which he proved when he visited London earlier this year. But search through the back numbers of newspapers and you will find scarcely a mention of him. There is an unwritten code that bans him from the public's consciousness.

The nature of the prism that filters out ideas that are awkward to the conventional way of thinking was recently explored by Howard Margolis, a student of Thomas Kuhn's. Kuhn had argued that science is constrained within certain limits until, one day, a discontinuity occurs in the way people see the world, a new way of thinking or "paradigm shift" explodes on the scene. Margolis seeks to understand why intelligent people such as scientists can stick with a theory whose time has long gone, and he decides that it is basically to

do with a "habit of mind".² Until the mind is ready to change the habit, clever folk can keep on saying that the world is round - but so far as the bastions of received opinion are concerned, it remains *flat!* And woe betide anyone who is too loud in contradicting that opinion.

WAS Henry George the target of vested interests? One illuminating way to gauge the treatment accorded to his fiscal philosophy is to review the history of the treatment of the advocates of his policy. Tom L. Johnson, the Mayor of Cleveland, was one such campaigner for fiscal reform. He reaped popular support for his policy of low-fares for public transport. He used the increases in rents that flowed from improvements to transportation to cover much of the costs of public transport. This policy was rationalised years later under the economic concept of "marginal cost pricing".

In his autobiography, originally published in 1911,³ he wrote: "In Cleveland, as in these other cities, there was organized as if by instinct a sympathetic, political-financial-social group whose power and influence made itself known the moment it was touched. It included the banks and trust companies with their directors. Banks that did not sympathize with this conspiracy were coerced by fear into compliance with the will of the stronger institutions. Through the banks, manufacturers, wholesale and retail merchants were reached. Business men who openly sympathized with the low-fare movement were called to the directors' rooms in the banks and advised, sometimes in guarded language, that their loans might be called or their credit contracted....cowed at meetings of the Chamber of Commerce....threatened with boycott. The lawyers were almost a unit. At one time fourteen of the leading law firms of the city were employed against the movement. Many physicians and in a large measure the clergy were affiliated with this class....all who were seeking favor socially, professionally or commercially, lined up with Privilege.

"The newspaper persecution of Mr. Johnson was not confined to Cleveland. A publicity bureau supplied the country papers of the State with material.

"To all of this was added the power of social ostracism. It was carried into the clubs and employed against all who distantly believed in or liked Mr. Johnson.

"For the greater part of nine years," writes Frederic C. Howe, "Cleveland was an armed camp. There was but one line of division. It was between those who would crucify Mr. Johnson and all of his friends, and those who believed in him. If any kind of cruelty, any kind of coercion, any kind of social, political or financial power was left untried in those years to break the heart of Mr. Johnson, I do not know what or when it was."

MASON GAFFNEY, reading those words, has no doubt about the organized nature of the opposition to Georgist policies. He replies to those who are sceptical about his identification of such a stratagem by referring to the Johnson example: "This is not a 'conspiracy' of schemers plotting cabals in dark rooms. It is wide open, so much a part of daily life and society it is too painful and challenging for most people to acknowledge it, even to themselves.

"If we are to prevail, we must see it for what it is, so we can brace ourselves to face it. Basic reform is not a picnic. Privilege strikes back. You need fire in your belly and steel in your spine.

"You must be ready to go it alone at times. You must be ready to see some of your allies bought out, and regret it without bitterness or personal spite, for these will destroy you. That was Johnson's great gift, a greatness of spirit. He knew men, their weakness, their dumbness, their cowardice, their venality - yet he loved us all anyway, and forged ahead, winning many great victories. He was a giant in the earth, like Edward McGlynn and Henry George. To prevail as they did, we must be ready to sacrifice as they did, and rise to their stature."

REFERENCES

1 Mason Gaffney and Fred Harrison, *The Corruption of Economics*, London: Shephard Walwyn, 1994.

2 Howard Margolis, *Paradigms and Barriers: How Habits of Mind Govern Scientific Beliefs*, University of Chicago Press, 1993.

3 Tom Loftin Johnson, *My Story* (ed: E.J. Hauser), New York: B. W. Huebsch, 1913.