Athenian dreams

IT'S TIME TO EMULATE THE LAND REFORMS OF THE GREEKS

By DAVID REDFEARN

HENRY GEORGE'S theory of the Single Tax has so far not been fully tested, though trials in part for the gathering of local revenue have shown results of the kind that he predicted.

It might be useful, however, to remind ourselves of the improved world that he tentatively proposed for our consideration,[1] and to see whether the freedom that he said would follow from taking rent for revenue has ever been achieved in some measure, in another place and at another time.

What was it he thought would happen? To begin with, he foresaw improvements in government, particularly in the collection of taxes, and, with the coming of higher moral standards, a lessening of strain on the judicial system, with all its array of judges, lawyers, police and prison wardens. Then, as public expenditure on such functions and on standing armies decreased, national debts would become past history. These would be the administrative advantages.

As time went on, government would become less of a directive and repressive power, and more of a means for managing public business and providing amenities for all. Among the ones that occurred to him were theatres.

But, above all, the community would become more united and more creative. The present domination of selfishness as a motive is the result of poverty and the fear of poverty. Remove poverty, and people "would seek the respect and approbation of their fellows in other modes than by the acquisition and display of wealth"; and public affairs, as a consequence, would be managed with the fidelity and integrity that are now reserved for private ones.

Society would be strengthened and ennobled. "We are made", wrote George, "for co-operation – like feet, like hands, like eyelids, like the rows of the upper and lower teeth."

Released by this exercise of co-operation, he foretold: "Talents now hidden, virtues unsuspected, would come forth to make human life richer, fuller, happier, nobler." Does any of this have a familiar ring? Well yes, it does: it reminds us of the kind of thing we have been used to hearing about Athens of the classical period. Let us pursue the analogy, and see how far it will go.

WE KNOW from Aristotle[2] that, in the 7th century B.C., as we now reckon it, "the whole land [i.e. of Attica] was in the hands of a few, and if the cultivators did not pay their rents, they became subject to bondage....."

This situation had been precipitated by the recent introduction of money, which made it easier for people to get into debt; and what would seem more natural, in a bad year, than to borrow on the security of one's land? Perhaps it worked in an isolated bad year; but, in a succession of them, it was disastrous.

In the end, lively resentment

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investment, settlement and development are frequent results, seriously distorting the allocation of labor and capital and contributing to the "Congested Frontier" problem.

• The present value of land is not derived from or caused by or related to its cost of production. Present value is derived solely by discounting future ground rents, which are not a reward or an incentive for creating land.

With capital the sequence is that man saves to form capital, a lump sum, which then yields a service flow. Capital formation precedes and causes the service flow. With land the sequence is reversed. The service flow is a free gift which simply exists, whether one pays for it or not. The expected service flow is then converted by economic man into a lump sum present value, a process called "capitalizing", i.e. making it superficially resemble capital for purposes of exchange.

Thus land value adjusts to rent, rather than an equilibrium rent's being determined at a level sufficient to reward producing the asset.

• Public policy needs to promote capital formation but not land creation, which no man can do. Land rent may be taxed heavily without discouraging capital formation. Indeed it would certainly encourage capital formation to lower the level of land prices, because there is a diminishing marginal utility of assets to private holders, and the loss of land values would stimulate new saving by individuals to make up the loss.

was aroused; for a state of affairs that seems to pass unnoticed in a modern nation was intolerable in a country about the size of Gloucestershire.

A solution, as Plutarch[3] tells us, was found by the "tyrant" Solon in 594 B.C. He decreed the cancellation of debts and the reversal of foreclosures of mortgages; and citizens who had been sold into slavery were ransomed. The practical result was a redistribution of land to its original owners.

Subsequent economic difficulties of farmers were relieved by a succeeding "tyrant", Pisistratus,[4] who made advances to them from his own capital, and tided them over the lean years until their newly-planted olive and fig trees reached maturity.

This policy linked up with another of Solon's, which was to encourage the immigration of foreign craftsmen. He must have understood the principle, later expounded by Henry George[5] in his refutation of Malthus, that "the power of any population to produce the necessaries of life is not to be measured by the necessaries of life actually produced, but by the expenditure of power in all modes."

Unlike that of Sparta, the soil of Attica was not fertile enough to grow sufficient corn to feed its own people, though well suited to the olive, the fig and the vine.

So, by the 5th century B.C., the Athenians were importing the bulk of their corn from the Crimea, where the inhabitants grew it, "not for their own use, but for sale",[6] and paying for it by exports of olive oil, figs, wine, vases and other forms of pottery, together with metalwork, especially that made from their home-produced silver.

Archaeologists have discovered both artistic and homely products of these kinds, bearing Athenian makers' marks, in many parts of Europe.

The land reform instituted by Solon remained effective at least until the beginning of the 4th century B.C., when it was discovered, on the occasion of a proposal to limit the political franchise to

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2 Aristotle, *The Constitution of Athens*, ch.II.
3 Plutarch, *Solon*.
4 Aristotle, *The Constitution of Athens*, ch.XVI.
5 *Progress and Poverty*, bk.II, ch.IV.
6 Herodotus, *The History of Herodotus, bk.IV, ch.17*.
7 *Encyclopaedia Britannica, 11th edition: article "Solon"*.
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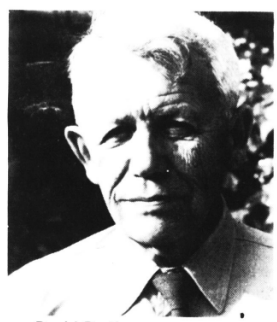
9 *The Constitution of Athens*, ch.XX.
10 Thucydides, *The History of the Peloponnesian war*, bk.II, ch.41.
11 'Old Oligarch', *The Polity of the Athenians*, bk.II, ch.12.

A general obligation is also owing to Alfred E. Zimmern for his *The Greek Commonwealth: Politics and Economics in Fifth-Century Athens*, Oxford: Clarendon Press, 1911.



• David Redfearn

freeholders, that there were only 5,000 citizens out of about 40,000 who failed to satisfy the condition.[7]

This wide distribution of land is, of course, the kind of result to be predicted, and in fact has been experienced over the past hundred years in the California Irrigation Districts[8] which enjoys some measure of a tax on the unimproved value of land.

Now for the ultimate effects of Solon's reform, the point of origin of the freedom (eleutheria) in which the Athenians took so much pride.

THE SPLENDOURS of 5th century Athens – its architecture, sculpture, drama, and its epic poetry, recently perfected but handed down from previous ages – are too familiar to require repetition here, save by way of a reminder that the drama and poetry were no mere entertainments, but a combination of religious ceremony and social encyclopaedia of cultural progress.

They were also examples of "leitourgiai" (liturgies), or public services financed as a kind of voluntary taxation by wealthier members of the community, who thereby earned, in the words of Henry George, "the respect and approbation of their fellows in other modes than by the acquisition and display of wealth."

These contributions were both welcome and necessary; for, until 483 B.C., when a rich vein of silver was struck at Laureion, the sources of State income were few and limited. They were: the rents from the State lands (so that some at least of the land had its rental value returned to society), a tax of 5% on farm land (but based on produce, not unimproved value), law-court payments and fines, and various dues and indirect taxes.

From 483 B.C. onwards, however, the collection of royalties from the silver mines, another recognition of public rights, brought in about 50 talents a year, the value of which may be judged from the fact that the first year's payments covered the cost of the 200 extra triremes that made possible the naval victory at Salamis in 480 B.C., the first blow in the explusion of the Persians from Greece.

The Athenians by this time may or may not have been moving towards a simplification of their tax system; but there is no doubt that the reforms of yet a third "tyrant", Cleisthenes,[9] put into

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Wall Street jaundice

QUOTE...by Gordon Gekko, the corporate raider with a cynical view of business ethics and a jaundiced perspective on what he claimed was the capitalist free market at work:

"The richest 1% of this country owns half our country's wealth, five trillion dollars. What I do, stock and real estate speculation. It's bullshit. You got 90% of the American public out there with little or no net worth. I create nothing. I own. We make the rules, pal."

The character was portrayed in the movie *Wall Street* by Michael Douglas.

MAJOR NEEDS ON UK HOMES FRONT

FACTS: Government statistics show that by the year 2,001, Britain's 2m additional households will require homes. In England, 2.5m homes (nearly 13% of the stock) is in poor repair; over 900,000 are statutorily unfit for human habitation.

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operation in 503 B.C., had set them firmly on the way to Henry George's co-operation, union, and elicitation of "talents now hidden, virtues unsuspected."

The Assembly (ekklesia) of all the adult male citizens (c.40,000) became the supreme authority. This met once a month, and any citizen could propose business to it. To prepare its agenda, however, and to deal with matters of urgency, there was a Council (boule) of five hundred, elected annually, 50 from each tribe.

There was also, for the conduct of day to day business, an Inner Council (prutaneia) of 50, which was chosen by lot from among all those wishing to stand. It remained in session for one-tenth of the year, and one member of it was chosen by lot each day to be chairman.

The judicial functions were provided for according to similar principles. The chances of any individual citizen's having an influence on public affairs were thus far higher than they are now.

It is not hard to imagine what would happen if we were to take one of our modern cities of comparable size, and to attempt to let it run itself according to any such system.

Yet, until 431 B.C., the year of the beginning of the disastrous Peloponnesian War, the citizens of Athens managed, without the aid of professional civil or military services, not only its own affairs, but those of an extensive confederacy, in effect an empire, of Greek city-states (poleis) in the Aegean, and kept the sea-lanes open for the trade that was essential for their own survival.

On the whole, they managed successfully; and it was only the deterioration of morale resulting from the 27-year war, and a final error of judgment of which any government might have been guilty, that in the end brought about conditions in which genuine democracy became impossible.

Such a record of achievement postulates average personal qualities of a high order, such as only freedom can bring out. No wonder that Thucydides,[10] when the glory had departed, attributed these sentiments to Pericles:

"In a word I claim that our city as a whole is an education to Greece, and that her members yield to none, man by man, for independence of spirit, many-sidedness of attainment, and complete self-reliance in limbs and brain".

IT IS OFTEN asserted that the Athenian economic and social system was dependent for its mere existence on the institution of slavery. The question of Greek slavery requires an essay in itself; but two brief items of evidence will show that such a view must be considered at best as not proven, and that, if the citizens of Athens enjoyed ample leisure for the service of their polis, it was because it was fairly shared, and their material needs were few and simple, not because they had slaves.

We have it, for example, from a contemporary author known as the 'Old Oligarch'[11] that the Athenians "established a democratic equality" between her citizen and alien populations, and that slaves employed as craftsmen or house servants were included in this dispensation.

The same author tells us that it was impossible in the street to distinguish, by his dress or bearing, the slave from the free man. He was not in the strict sense free; but at least he was well cared for and could look forward in the end to formal freedom without political rights.

The admitted exceptions to this general rule were the slaves in the silver mines, a minority, who were treated abominably, but no worse than many people nowadays, who are described as free but have to compete for jobs under a system of land monopoly.

The great achievements of the Athenians in the 5th century B.C. were made possible by wise land reforms. We ourselves, with more material needs perhaps, but superior means of satisfying them, could still emulate and even outdo the Athenians by adopting the wiser reform of Henry George.

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