

Ignoring George

Henry George's ideas are fair, timely and reasoned. So why, asks **David Triggs**, do British politicians looking for votes continue to disregard them?

IT WAS Leo Tolstoy who said: "People do not argue with the teachings of Henry George; they simply do not know it. The teaching of George is irresistibly convincing in its simplicity and clearness. He who becomes acquainted with it cannot but agree."

Those of us who have seen the justice, effectiveness and efficiency of Henry George's ideas are unlikely to differ from that opinion and yet, today, 100 years after Tolstoy's death, and 130 years after *Progress and Poverty*, mainstream political parties continue to either reject or, more frequently, ignore these ideas.

So was Tolstoy wrong? Look at the coverage of the current General Election in the UK and you'll find that at least part of what he said still rings very true. People really don't argue with the teachings of Henry George; sadly they barely discuss them at all.

As politicians of all the major parties bicker about the seemingly ever narrowing gap between what is left of their ideologies, George's ideas, once lauded by the likes of Churchill and Einstein, are ignored.

This publication's Media Watch section aims to highlight the few occasions when such ideas are brought out into the open in the wider media. What's interesting is that when this does happen, just as Tolstoy predicted, nobody argues against them. When an expert on the radio or television mentions the benefits of a land value tax he or she is hardly ever quizzed further and rarely asked to explain more, let alone argued with. Usually the topic is changed and the conversation moves on.

This seems puzzling, especially when you remember that the three main consequences of George's ideas would certainly be radical enough to prompt further comment. They would result firstly in the cessation or reduction of all taxes levied on labour and capital and

the products of labour and capital (including trade), secondly in the collection as public revenue of all the value that the community creates by virtue of its existence and the protections and services it provides; and lastly in the handing back to government of the issue and control of the nation's money.

You might expect the suggestion of such radical proposals to be met with astonishment, objections and debate. Instead they are usually met with silence or ignored.

Perhaps this is simply because most political commentators have become so transfixed on the polarised left vs right nature of politics that they simply can not make sense of where the ideas of George would fit in.

For more than a century, many economic issues have been depicted as a conflict between the interests of labour and the interests of capital. In this country in recent years and in particular

since the advent of New Labour, whilst the policy gap between the two main parties

has narrowed, the dilemma has not substantially changed. Balancing returns to the suppliers of labour and the suppliers of capital is still perceived as the central issue.

This underlying belief has obscured serious consideration of George's most important insight—the critical importance of land.

Thinkers and activists of both the left and right have come to consider land as merely another asset or particular form of capital, failing to acknowledge a fundamental reality—capital is man-made and can be reproduced,

land is not and cannot.

On the right any attempt to collect public revenue based on community created land values is frequently seen as hide-bound socialism—they fail to see the difference between land value and the value of buildings. On the left, failure to redistribute wealth by taking from the rich and giving to the poor, for example, by reducing direct or indirect taxes on producers or production, is frequently seen as giving way to wicked capitalists. How the rich become rich or why the poor remain poor rarely features in such considerations and emphasis is placed on alleviating the effects of poverty rather than addressing its cause. Land value tax may seem a good idea to many on the left but often in addition to, rather than in replacement of existing taxes.

The left-right obstacle to understanding and adopting George's ideas is increased by a general confusion in all quarters over the real nature of money and in particular when money is regarded as capital. For George the distinction was clear—capital is wealth used to facilitate the production of more wealth, money is not wealth and thus cannot be capital. All wealth is tangible and consists of material (land) modified by labour. Money is not tangible (though it may take tangible 'forms'), it is subtle. It is a medium of exchange and its value does not arise from production (unlike credit) but from the obligation people are under to use it. Its value depends upon the difficulty of getting it—its scarcity—and thus the confidence that people have in those that control its supply.

These misunderstandings are of course not generally acknowledged, possibly because the status of champions of both the left and right and those in between depends upon the well rehearsed arguments that each has advanced with conviction for generations. Despite the obvious failures of both doctrines to produce poverty free societies, devotees of each continue to declare their faith and insist that neither has yet been fully implemented.

More pragmatic followers however have begun to wonder if something important is missing from their theories. Some are even bold enough to declare that 'the emperor has no clothes'.

Those of us who believe, like Tolstoy did, that the ideas of Henry George are "irresistibly convincing" would love the opportunity for them to be debated and argued against because





emotion.

Often, the emotions that are appealed to, relate to the perceived self interest of voters. They play on their fears, aspirations and prejudices. The media are certainly quick to show the effect that each suggested economic policy will have on the interests of different categories of people and voters.

They highlight the 'winners' and 'losers' in connection to this or that tax or this or that benefit or public service. Pressure groups likewise comment

and persuade according to their particular interest. Under such pressure it must be difficult for any politician hoping to be democratically elected to place justice before expediency. And yet a love of justice might be expected to be the emotion of primary concern to those charged with the government of the nation.

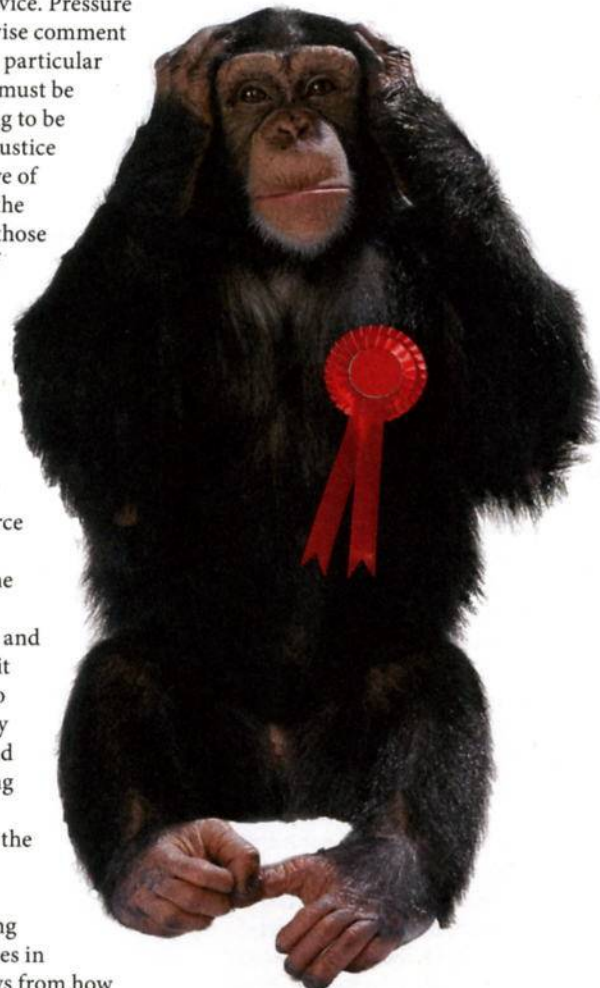
That justice may yet arrive. History is replete with examples of knowledge being rejected by those in authority and the masses for years before being seen to be true and being made available for the benefit of mankind. Galileo and Wilberforce come to mind along with John Snow (cholera being a waterborne disease—not miasmatic) and the hazards of smoking, sunbathing and environmental pollution. Often it seems the ignorance is held on to for years and then quite suddenly it is as if there is a change in mind and a step is taken. Like whipping cream—for some time nothing seems to be happening and then the change suddenly occurs.

I am inclined to think that the real problem for those wishing to promote the ideas of George lies in the prevailing culture that follows from how

people think and feel (it does not have to be rational).

Henry George once said "I care not how people vote—it is how people think that really matters." But he also said that if you really wish to change people's minds you have to touch their hearts and appeal to their innate sense of fair play and justice. Here it seems, lies the real challenge and opportunity today. **L&L**

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we are confident that the reasoned arguments in their favour make so much sense.

Such radical change is sure to raise concerns among the electorate. It is likely to include concerns about

people's security of tenure in their homes and places of employment and the problems of the asset rich and income poor households including the 'Devon pensioner'. Others might ask: "Why bother to go to so much trouble to right this particular wrong when there are so many other wrongs to put right first?" "Would such changes prevent the accumulation of large private fortunes and prevent the patronage of the arts?" "Would they lead to ever greater concentrations of private fortunes extending further the divide between the rich and the poor in society?" "Would they lead to too much control in the hands of government? Would they lead to a lack of diversity in society, a dull mediocrity with no heroes or villains?"

These are all reasonable questions and George gives us the tools to be able to answer them all with rational arguments. But reason may not be enough.

Last year I approached a number of MPs on both sides of the political divide to attempt to discuss the ideas proposed by the Henry George Foundation. The objections I was given were hardly reasoned. One told me that the idea was interesting but he'd have no chance of getting it past his constituents in 100 years but didn't explain why. Another said he would be too wary of the unintended unforeseen consequences of such a change. As the consequences he was talking about were unforeseen by both of us it was difficult to argue against them.

Reason, it seems, plays little part in modern politics and modern elections. Instead the appeal that politicians and their publicists make to voters frequently has more to do with