

by John Young

WHY isn't the philosophy of Henry George more widely accepted? An important reason is often neglected, and sometimes actively resisted: there has been a too-exclusive concentration on site revenue.

Of course the site revenue issue is central; of course George hammered it constantly. But in his thinking it exists in a large economic context, which in turn is part of a larger philosophical vision. Unfortunately, the view of too many Georgists is focussed narrowly on site revenue.

Their zealous promotion of "the remedy" carries the danger that their hearers will conclude there is nothing else to Henry George, and that what they are being offered is another panacea. Most people see that economic problems are too complicated to be solved by one simple measure, and are quick to label as a crank anyone who gives the impression of thinking otherwise.

This applies to the average person, and it applies probably more to economists, who often have little knowledge of George except as the "single-tax man" - a limitation we can unwittingly reinforce if our presentation is too restricted.

George's economic thinking is done in the light of his vision of human nature. His understanding of the dignity of man shows him that man must never be treated as a mere means to an end. It shows him that man is vastly more than an economic animal, and that the economic order, although fundamental, is for the sake of higher pursuits. These ideas permeate his economics, giving it a force and clarity and balance it could not otherwise have.

HENRY George discusses the nature of civilization, of natural laws, of scientific knowledge, and applies these considerations in his investigation of the economy. His final, uncompleted, book, *The Science of Political Economy*, analyses these ideas and establishes the status of economics as a true science.

For George the fundamental law of economics is the principle of the saving of effort: "...the central law from which its deductions and explanations may with certainty be drawn, and, indeed, by which alone they become possible" (*The Science of Pol.*

Econ., Bk 1, Ch.12). It is from this position that he refutes the widespread notion that selfishness is the driving force in economic affairs - a notion which, if true, would make economics a sordid subject instead of the noble science which George sees it to be.

He makes a superb analysis of the nature of wealth (a concept still hopelessly confused by economists), then in its light shows what capital is. His perception of the two sources of value is essential if we are to profoundly diagnose economic ills - and to appreciate the truth behind Marx's theory of surplus value.

He clarifies the meaning of economic cooperation, showing its supreme importance and the ways in which it is achieved. The related concept of exchange is explored and its marvellous richness shown: its status as the highest form of production, its relation to credit and money, its basis in the principle of the saving of effort, its part in the growth of civilization. George presents a superb defence of free trade, especially in *Protection and Free Trade*.

We need to see deeply into the key concepts of Georgism, to relate them to each other, to view the system as a whole. This vision thus attained is a vision of the economic order as it should be. This is not to imply that George made no mistakes, or that no further work needs to be done. But the picture as a whole is true.

Others (or often the same people) give such obscure presentations that it is a struggle to grasp what they mean. Discussions about the meaning of value are a case in point.

PEOPLE will not be attracted to George's philosophy if its advocates seem to be a bunch of straw-splitters or obscurantists. And paradoxically, that happens to some who do attempt to delve into George's thought. What,

then, should be done?

We should deepen and broaden our own understanding, but be careful not to talk over the heads of people. Then that depth and breadth of vision will be apparent from what we say, even though we keep the presentation simple. And we will be capable of discussing the more difficult questions with people about to handle them - including some economists who assume George is simplistic.

On site revenue: our understanding will be vastly enriched by a grasp of issues mentioned above. There is a tendency to think of site revenue as basically a payment for amenities like roads, electricity and so forth. In fact it is far more than that. Through the exchange economy, and through the wider social and cultural networks found in society, immense intangible benefits are generated. This bounty which society bestows on its members is more accessible on some sites than on others, and so some bring a greater rent than others.

Therefore, the private appropriation of rent means that land owners make us pay for a common good which is not theirs to sell. It is far more serious than gaining simply from physical improvements. This truth is clearly seen if we view the rent situation in the light of George's total vision.

John Dewey said of George: "It would require less than the fingers of the two hands to enumerate those who, from Plato down, rank with him..." Compliments like that are not paid to George just because he showed that land revenue should go to the government.

* John Young's book *The Natural Economy* is to be published by Shephard-Walwyn, London.