

I REMEMBER a day, some twenty years ago, when we invited a journalist (who had written on the land question in Georgist terms) to the offices of *Land & Liberty* for lunch and a chat. When he arrived, he looked around curiously at our shelves of books and pamphlets. "What exactly do you advocate here?" he asked.

"Land value taxation," I replied, "and free trade, private enterprise, personal liberty, the abolition of all monopolies, privileges and subsidies, and sound money. And," I added for good measure, "we are opposed to the protectionist EEC."

"Heavens!" he exclaimed, "what a package to try and sell."

He was right, of course; it was some package to sell. Yet although we took the opportunity to argue for these things whenever they became topical, our main plank, I explained, was land reform.

This approach, we believe, embraces all that Henry George stood for and forms an indivisible philosophy of freedom. But here some questions arise. Are Georgists, in advocating land-value taxation, calling for tax reform or land reform? What is the difference? And are all land-value taxers Georgists?

These are some of the important questions raised by Rhoda Hellman in her book *Henry George Reconsidered*. Rhoda Hellman has been closely associated with the Henry George movement in the U.S. for many years, particularly with the New York Henry George School of Social Science, where she was originally a student, and she writes almost exclusively of U.S. experiences.

She has produced an excellently written and provocative book, which bears the marks of painstaking and thoughtful research. She explores the many-sided aspects of George's philosophy and the "enigma" presented by its fortunes over the last 100 years. She advances an explanation to account for the slow progress of George's ideas which, she says, now exist in a "lively limbo", representing neither success nor failure.

Her book begins with an examination of Henry George's life and times, assessing his achievements, influence and position in the political spectrum. In her account of the history of the Henry George movement, she traces the origin of the name "single tax" and examines its implications for Georgist propaganda.

A chapter is devoted to the founding of the Henry George School of Social Science, and another to some vignettes of classroom teaching - not entirely uncritical. The attitude of economics professors and the source of their hostility is reviewed, although some exceptions are noted.

In the final and perhaps most important part of her book, Rhoda Hellman gives her

Finding George

VIC BLUNDELL reviews a fine new 'warts and all' study

reasons as to why the land tax concept has been disregarded by economists and politicians, and examines their criticisms. She concludes with some suggestions of what Georgists could do effectively to advance the cause and gives some examples of the opportunities available.

IN HER history of the movement, the author traces the origin of the name "single tax" to Thomas Shearman, a lawyer and businessman, and to this description of the Henry George philosophy she attributes a great divide in interpretation of what George stood for and also the direction the movement took in its propaganda. It marked the departure from land reform to tax reform - a shift in

* Rhoda Hellman whose book, *Henry George Reconsidered*, is published at \$12.95 by Carlton Press, New York. (Obtainable from the Robert Schalkenbach Foundation, New York, and *Land & Liberty Press Ltd.*, London).



emphasis within the movement from its predominant stress on the collection of land rent to anti-tax activity.

Shearman also coined the term "single tax limited" to describe the legislative goal. This marked the distinction between calling for the entire rent of land to be appropriated and limiting it to the amount required to replace all other taxes. This was based on the assumption that the latter was less than the annual rent of land. In short, the evils of taxation

were stressed rather than the evils of land monopoly.

After this, the author argues, the "single tax limited" was further limited by confining propaganda almost solely to untaxing buildings, taking only enough land value to balance the tax relief. *This had appeal to businessmen, for it provided compensation to landowners as a class, or at least those with buildings on land.*

With this limitation of the single tax, the wider range of land owners who owned natural resources were excluded from the scheme and further, it offered nothing to the landless and propertyless in society.

The other schism in the movement, says Rhoda Hellman, was caused by the preoccupation with private enterprise, which weakened George's call for government control of natural monopolies. At the 1893 conference of the National Single Tax League (later to be disbanded after a three-year existence) a case for state control of monopolies other than land, whenever free competition became impossible, was rejected. This was against the wishes of Henry George.

Thus two steps from the pure philosophy had been taken by the movement which was now headed by Shearman and Louis Post. Post interpreted the conference decision as "marking a cleavage between the socialist (sic) and the ultra-individualist factions of the movement, with George belonging rather to the former camp."

These divisions remained in one form or another with various loosely coordinated groups of followers meeting and disseminating their brand of Henry George's reform.

In the last and most important part of her book, Rhoda Hellman offers some controversial conclusions as to why the movement has made so little progress and why George's main economic idea

has been relatively ignored.

The main criticism of George's theory, she says, disputes the assertion that the private appropriation of the rent of land is the major cause of poverty: that the landowner is the residual claimant in the distribution of wealth which leaves labour and capital with only enough to sustain them and keep them going, and that all the benefits of increased productive power are finally absorbed by the rent of the land.

Rhoda Hellman examines this criticism and concedes it to be the weak spot in George's argument, although it does not invalidate the Georgist claim that to take the rent of land for the people would go much of the way towards remedying the maldistribution of wealth.

The other argument of the critics and a corollary of the first, is that there is a leak in the classical formulation of the distribution of wealth to rent, wages and interest, and it flows to the holders of special privileges and monopoly powers other than land.

But George, says the author, far from ignoring these unearned profits, specifically pointed them out, detailing them in his book *Social Problems*. But the question remains, she says, "why is it not generally appreciated how keenly aware George was of all these non-land monopolies?" She concludes that it is because George himself did not emphasise it, his eyes being fixed on the "first great reform" without which nothing else would avail.

Thus when crystallising his reform in



• HENRY GEORGE

Progress and Poverty with the statement that to relieve poverty it is necessary only to appropriate land values, George did not incorporate the proviso that all other sources of unearned income - from monopolies, privileges, cartels, etc. - should also be eliminated.

This, Rhoda Hellman calls "the missing proviso", which has led to so much misunderstanding, when coupled with his economic theory that rent is the residual claimant in the distribution of wealth. WAS GEORGE all that misunderstood? I wonder. Perhaps by some academics, but not by the landed interest, who appreciated only too well the implications of his proposals. And that is where the real opposition lay, and their objections cannot be theorised away.

Hellman concludes with some sugges-

tions as to what Georgists could do. She seems to feel the movement (speaking, as always, of the U.S.) has been hijacked by those who would make George's reform a property tax issue (merit though this has) to the exclusion of the wider issues contained in George's philosophy.

She considers there are a number of opportunities being missed to support more taxation on oil, coal, gas and other windfall profits that arise, and to support anti-privilege legislation. Rhoda Hellman would not eschew government controls and legislation when they are directed at monopoly profits linked to natural resources. Profits may be an ambiguous term, but their source in many cases is unmistakable.

Such activities she considers would be more in the spirit of Henry George's philosophy than the Shearman line of "single tax limited" reflected in property tax reform.

Finally she considers the direction in which the extra revenue should flow so that wage earners and the poor would benefit, such as relief of the payroll (PAYE) tax and low-cost housing.

Altogether, this is a fascinating and provocative book relevant to both sides of the Atlantic and beyond. Get it.

• V.H. Blundell is the former editor of *Land and Liberty*, and served for 25 years as Secretary of the United Committee for the Taxation of Land Values London.

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Eisenhower had assumed the foreign policy stance that dictated a blind reaction to any and every revolutionary group that in any way appeared pro-Soviet or pro-Marxist and against the interests of international business concerns.

This statesman in war had become very much the pawn; only at the end of his second term, in his farewell address, did he seem once again aware of the incongruities of American foreign policy in an age of emerging self-determination. Too late he raised a warning against the perils of the expanding military-industrial complex.