

Such are the noble ends to be achieved by the political (legislative, etc.) means of simply seizing rent by force. This is the vision, this the promise, of Henry George. It does not follow.

What does follow is not merely that landowners would be despoiled of their property, but that the autonomous institution of society, property in land, by which its sites and resources are automatically allocated non-politically to the most prepared and productive, would be destroyed and the mass of land users would revert to servile dependency under a bureaucracy of arbitrary and irresponsible politicians prescribing their occupancies, seizing their properties and regulating their lives.

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Dear Mr. G-----, I have written at much length, perhaps tediously, yet I have ventured this in reliance on your profound and intelligent interest and your sense of the importance of the subject-matter involved. I have tried to be dispassionate and judicious towards ideas and reasons that to me seem badly misleading to all of us and which I am thus bound to oppose. I am glad to join you on the unimportance of personal animadversions and to feel that you can thrill as I do to the adventure of discovery and the joy of new understanding and the fellowship it brings.

Sincerely,

SPENCER HEATH.

*Lest the reader think us entirely negative in publishing this criticism of Henry George's attack on property in land, Mr. Heath's discussion of the positive function performed in society by its basic institution of private property in land appears in the accompanying booklet, Private Property in Land Explained. Additional copies may be obtained free upon request.*

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## Shorter Criticism of THE ECONOMIC ARGUMENT of HENRY GEORGE

Selected from the Personal Correspondence  
of Spencer Heath to an Advocate of the  
"Single Tax".

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*The following critique of Henry George's economic argument is published below as it appeared in a letter written by Spencer Heath to an advocate of the "Single Tax".*

Dear Mr. G-----:

You are indeed right in pointing out how Henry George denounced taxation and all its effects — except land value taxation—, just as he advocated freedom, absolute free contract, for the distribution of everything — except for the distribution of land.

But in his crucial economic argument of twenty pages he confessedly argues for, and draws his dismal Maltho-Ricardian conclusion upon, the avowed supposition (p. 155) that taxation was in no wise pertinent to his argument, that in fact, in arguing to this dire conclusion, taxation should be considered not even to exist. It is not that he ignores taxation in his book, far from it, but that he expressly ignores it *in his argument*, in his argument that rent-receiving by contract, and not anything else, is the cause of our demoralization. And upon this he is naive enough to suppose that the same arbitrary power that seizes produce in general, once it seized all the part that had been contractually ear-marked in the market as rent, would then desist from all its former depredations.

It is very true that George elsewhere spent pages "showing how taxes on production discourage production" as you say, but in his central and basic argument against property in land, he leaves out all this to show, via Ricardo, that not taxation but rent is what depletes production. And it does this only when offered to and accepted by landlords; yet this same rent would not diminish production at all if intercepted or confiscated by tax-takers (pp. 405-6). Somehow the taxation that George fancifully casts out for the purposes

of his argument or analysis is supposed to vanish in reality in proportion as the politician lays violent hands on the portion of production that otherwise would be rent (p. 406). In his argument, George casually disregards the taxation that he elsewhere denounces and deplores. He thus imputes maldistribution to a different cause, to that same "monopoly" of land that he elsewhere casually concedes (p. 167) does not, "in the modern form of society", even exist.

Taking account of the actualities asserted or admitted by Henry George, *vis a vis* his Ricardian concept of rent and his wishful thinking about taxation, other than on rent, diminishing, his thesis would shape up in this wise:

- 1) There are in force "schemes of taxation which drain the wages of labor and the earnings of capital as the vampire bat is said to suck the blood of its victims" (p. 428).

- 2) Leaving the effects of this taxation out of consideration, — "Whatever be the increase of productive power, rent steadily tends to swallow up the gain, and more than the gain."

- 3) Therefore, we must "*appropriate rent by taxation*" and thus make land "really common property" (p. 406), and then, as this appropriation of rent is increased, this will cause or permit to be abolished all those "schemes of taxation which drain the wages of labor and the earnings of capital. . ." For then, just as the taking of land rent by taxation is increased so all other taking of the produce of labor and capital will be abolished. This is the "simple yet sovereign remedy which", he says, "will raise wages, increase the earnings of capital, extirpate pauperism, abolish poverty, give remunerative employment to whoever wishes it, afford free scope to human powers, lessen crime, elevate morals, and trade, and intelligence, purify government and carry civilization to yet nobler heights."