

The Power of An Idea

— V. G. PETERSON

"INVINCIBLE to armies," said Victor Hugo, "is an idea whose time has come."

The power of the Henry George idea made its first impact in England. It fed directly into that great stream of liberal thought to which Locke, Mill and Adam Smith contributed and, as George Geiger says in his book, *The Philosophy of Henry George*, "both the tradition of land reform and also the more specific and concentrated phrasing of that reform as it is stated in the pages of *Progress and Poverty* have found a degree of expression in the financial legislation of Great Britain."

The Lloyd George budget of 1901 — a complicated four-part bill which was finally so emasculated by amendments as to defeat its purpose—was one of the first efforts made in England to raise public revenue by a tax on land values. The Snowden budget of 1931 was a simpler proposition which, in the main, contemplated a tax of a penny (two cents) on the pound (480 cents) on unimproved value. Snowden's familiarity with *Progress and Poverty* is clearly demonstrated in his many speeches made in support of the budget. For instance—

"... Land differs from all other commodities in several respects. The land was given by the Creator, not for the use of dukes, but for the equal use of all His people. A restriction in the freedom to use land is a restriction on human liberty and freedom. Every increase in population, every expanse of industry, every scientific development, every improvement in transport, all expenditures of public money, indeed, every child born, adds to the rent of land."

In Australia, New Zealand, Canada, South Africa and South America, measures of land value taxation have carried. That the results have been meager is easily understood by those who know that until the full economic rent of land is collected and other taxes abolished, poverty must continue to fester although some conditions may be partially improved.

In Denmark the work of the Land Value Taxation group has had marked success, a success the more significant because of the friendly



attitude of the farmers. In 1915 a measure was adopted providing for the separation of improvements from land for valuation purposes. The bill provided for the immediate revaluation of all land and, after 1929, for revaluation every five years. "This provision," Geiger says, "gave the land value taxationists a strong foothold and in succeeding years they managed to influence the Social Democrats to turn at least a degree in the direction of Henry George. The final result was that on August 7, 1922, the Danish Government enacted a small national land value

tax equivalent, comparing it for example with the English Finance Act of 1931, to a third of a penny in the pound." In addition, all improvements under approximately \$2,700 were exempt from taxation."

In Germany, the immediate effect of *Progress and Poverty* was to vitalize the work of the land reformers and to bring about small measures of land value taxation in some provinces. Later, in 1924, the Weimar Constitution made provision for the collection of the unearned increment of land in these words: "An increase of the value of land arising without the application of labor or capital to property shall inure to the benefit of the community as a whole."

The influence of Henry George is to be found in the writings of Tolstoi, in Russia, and in the work of Sun Yat Sen, in China. "People do not argue with the teaching of George, they simply do not know it. And it is impossible to do otherwise with his teaching, for he who becomes acquainted with it cannot but agree," wrote Tolstoi in his essay, "A Great Iniquity." "Sun Yat Sen," his successor, Wang Ching-wei,

told Paul Blanshard, an American journalist, "was greatly influenced by your American radical, Henry George. His economic program, which is ours, means three things: Henry George's method of assessing land, definite laws against monopoly under private ownership, and Government ownership of large utilities. We propose to realize this program without violence and without confiscation."

To extend much further this review of the experiments in land reform that have been tried would be to draw out too long what is, after all, only a by-product of the main idea. George's is not a tax reform program. It goes deeper than that. As Philip Cornick put it so succinctly in the March, 1949 issue of *The Henry George News*, "he [George] set forth his objective in six short words: 'We must make land common property.'"

That Henry George was an important influence in the Progressive Movement that dominated American politics for fifteen years prior to World War I, has long been recognized. A good summary of this is contained in an article by Ransom E. Noble, Jr., entitled "Henry George and the Progressive Movement," appearing in the January, 1949 issue of *The American Journal of Economics and Sociology*. "Some Progressives," says Professor Noble, "were so thoroughly identified with George's idea that their names need only be mentioned to recall his vital influence in that era. Preeminent was the Cleveland group: Tom Johnson, the millionaire monopolist who was converted to the single tax and devoted the rest of his life to a fight for municipal ownership; Peter

Witt, his lieutenant, whose 'tax school' was an education in the principles of equitable assessment, Newton D. Baker; who as late as 1914 avowed himself a firm single taxer, hoping that he might some day see with the vision of his master, Tom L. Johnson; and, of course, Frederic C. Howe, 'perhaps the most complete and deliberate single taxer' of the whole liberal group. Equally prominent were men like Brand Whitlock, understudy and successor to Mayor 'Golden Rule' Jones in Toledo, and Louis F. Post, assistant secretary of labor in the Wilson administration, whose speeches and writings as well as his long editorship of *The Public* made him an expositor of single tax doctrines second only to George himself.

"A somewhat longer word needs to be said about another leading Progressive, William Simon U'Ren of Oregon," Professor Noble continues. "U'Ren is perhaps the most interesting example of the effect of Henry George upon attempts to reform American political machinery. He is

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well known as chief architect of that 'Oregon System' of direct government which was widely imitated, in whole or in part, during the Progressive period and which gave him a deserved place among the pioneers of state progressivism. A direct-government system which arrested the attention of the nation, had as its chief *raison d'être* the furthering of the single tax!

Simultaneously, across the continent in New Jersey, another part in the drama of the Progressive Movement was being played by George Record and Mark Fagan, both Henry George men, and others working under their generalship. "The influence of single tax principles," Professor Noble tells us, "is apparent throughout Record's career and in his writings. Particularly interesting is a series of articles which he wrote for the Jersey Journal at the height of the Progressive period. From January 1910 to October 1911, he conducted a daily column in that newspaper — well over four hundred articles in all — many dealing with purely local political questions, but others containing penetrating comment on the major issues of the day. In them Record worked out a coherent program based upon Henry George premises, a program worthy of analysis as an illustration of the influence of Henry George upon one of the Progressive Movement's outstanding leaders."

Much of U'Ren's work, as well as the efforts of other Henry George men, was financed by the Fels Fund Commission, founded by Joseph Fels, wealthy soap manufacturer.

At the same time, Lawson Purdy had procured in the City of New York, the separation of land and improvement values, and had established a system of public records which enabled any citizen to find out how his assessments compared with those of his neighbors and of abutting properties. With land and improvements separately taxed, the protection of land values was made easier. So successful were Mr. Purdy's efforts that other cities quickly copied New York, and the system was made the subject of study by other countries.

It is also interesting to recall that in the period following the first World War, it was Lawson Purdy who initiated the experiment which, more than anything else, was responsible for overcoming the housing shortage, as pressing then as it is today. For a period of ten years, according to a bill enacted almost wholly due to Mr. Purdy's efforts, new dwellings were exempt from taxation.

Not all of the work of these early pioneers has been swept away and perhaps one of the most important evidences of their influence is to be found in the State of California. Large numbers of irrigation districts levy taxes for the support and retirement of their debt and the operation and maintenance of their irrigation works solely on land values. In other parts of the country, small colonies or "enclaves" still retain some semblance of their founders' purpose.

The followers of Henry George might, presumably, have continued in the footsteps of their ideological progenitors. However, a new force was at work which gradually and inevitably gathered momentum as others slackened. It started in Cleveland, with reading circles organized by Louis F. Post and was soon taken up by Oscar Geiger in New York. The founding of the Henry George School of Social Science was the natural outgrowth of Geiger's

dream of an educated citizenry. As an Associated Press dispatch said in 1936, "The Single Taxers have once more thrown their hat into the ring — this time into the educational ring."

What then shall be our keynote—the promise that shall call us on, that shall inspire each of us to his best? George himself gave it to us on the night of his defeat in the first mayoralty campaign. "The future, the future is ours," he cried. "This is the Bunker Hill. We have been driven back as the Continental troops were from Bunker Hill. If they won no technical victory, they did win a victory that echoed round the world and still rings. They won a victory that made this Republic a reality, and thank God that we in our fight can make the true Republic of the future certain — certain in our time."

[The foregoing article follows closely the text of the keynote address given by Miss V. G. Peterson at the Chicagoland Conference on May 21.]