

Letters to the Editor

RELEVANCE OF HENRY GEORGE

SIR, — All your readers will agree with the following sentence from your first leader in the January/February issue: "Those who have studied the principles enunciated by Henry George enter this discussion" (about what is properly the Public Domain) "with distinct advantages."

However, those of us who have studied the man's personal and political life in the last century will say, I think, that George would have disapproved of the order in which you place your proposals for the solution to our economic mess.

Certainly you will find support among many politicians for your proposal *first* to balance the budget by "reductions in government spending" (thus leaving even more exposed the least privileged in our society). Such support would, however, be completely lacking for proposals then to raise revenue by taxing the economic rent of land — and privilege would be even further entrenched.

No, it must be the other way round. We must *first* seek legislation for that which, as you rightly say, can "justly be taken as public revenue" — and Henry George would have said so.

Yet how little influence Single Taxers appear to have now as compared with that of the Prophet of San Francisco, in his day, on both sides of the Atlantic.

George's most important book can probably claim the largest circulation in history of any work on political economy (it had a five-column review in *The Times*) and, from all accounts, he was the most popular orator of his day. Though, from what we know of him, Henry George would have rejected personal acclaim, I think we ought to remind ourselves of an important centenary; it was in 1877 that George began to write *Progress and Poverty*. When comes the time when a second prophet will, as he did, be able to attract the mass following of ordinary men and women to the great cause he espoused?

Land monopoly is still the pri-

mary cause of poverty and of massive concentrations of capital; yet the usually knowledgeable and attractive BBC correspondent Alistair Cooke was able to mention in one of his "Letters" last November that there were, in addition to the two main Presidential candidates, scores of others including a "single taxer", and (so the implication went) other crackpots. If Cooke has heard of Henry George (though the great man is not mentioned in *Chambers's Biographical Dictionary*!) he probably thinks of him as an obscure Victorian who had some importance perhaps in the yet undeveloped San Francisco of his day, and whose thesis related only to agriculture.

It would be salutary for the people of three continents to ask themselves how Henry George could have had such an impact, wherever he lectured, in the last part of the nineteenth century, so much so that Tolstoi could write with such optimism (in *The Pall Mall Gazette* in 1888): "In thirty years private property in land will be as much a thing of the past as now is serfdom . . . Henry George has formulated the next article in the programme of the progressive liberals of the world."

Henry George himself might have been excused his enthusiasm two years later when he declared: "So well forward is this cause; so many strong advocates has it in every land . . . at last, we can say with certainty that it will be only a little while before all over the English-speaking world . . . no children (will come) into this world without coming into equal rights with all."

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RATE SUPPORT AND PROPERTY VALUES

SIR, — In printing my letter (January/February) you correctly reproduce me as saying, "Abolition of the rate support grant would allow £3,000 million a year to be taken off income tax, thus increasing the threshold of taxation and releasing many people

from payment of it altogether"; but on referring to *The Daily Mail Year Book 1977*, p. 341, dealing with Government expenditure, I find the item "Rate Support Grant, Financial Transactions, Etc.", is given as £7,124 million.

If you consider a retail trader whose assessment of his shop for rating is £1,000 and whose rating authority's rate is 150p in the £ reduced by the rate support grant to 50p, in the end, it must be obvious that the reduction of rates from £1,500 to £500 enables the landlord to add £1,000 to his rent, since the rent is determined by the maximum the market will bear. If there were no rate support grant, this £1,000 would go into the general rate fund instead of to private interests. If the trader decided to go into business as a freeholder of his premises, the price demanded by the vendor could easily be £10,000 more than it would be if there were no rate support grant, and the whole or part of this sum would have to be raised by means of a mortgage, debentures, or a bank or other loan.

Taking this argument further, it must be obvious that if £7,000 million a year is being pumped into the rating funds from taxation, the sum of money tied up all the year round in mortgages, debentures, and bank or other loans could be of the order of £30,000 or £35,000 million. This enormous, inert millstone round the necks of homeowners, industry, commerce, the retail trade, the professions, and so on, could be much better used to buy stock, renew fixtures, fittings, plant and machinery, and transport, and by comparison, it makes the IMF loan look puny.

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BOOKS RECEIVED

Japan and a New World Economic Order, by Kiyoshi Kojima, Croom Helm Ltd., £7.95.

Public Assistance to Industry, by Corden and Fels, Macmillan Press, £10.

A Policy for Building, by Bob Wilan, Aims for Freedom and Enterprise, 25p.

The Finance of Local Government, N. P. Hepworth, George Allen & Unwin, hardback £7.95, paperback £4.95.