

## BOOK REVIEW

*Poll Tax: The Tax that Sank a Government. A study of the Poll Tax in the United Kingdom and its economic, political and philosophical implications.* By Fernando Scornik Gerstein. Published in 1996 by the Land Policy Council, 7 Kings Road, Teddington, Middlesex TW11 OQB, United Kingdom. Also available from the Robert Schalkenbach Foundation, 149 Madison Avenue, Suite 601, New York NY 10016-6713. List price: \$5 (plus shipping & handling).

REVIEWED BY MARK A. SULLIVAN

Throughout history, the power to tax has been the mainstay of the State. The abuse of this power has, time and again, brought down particular ruling parties, or governments, of the State, although the State itself has lived on. One may think of the Boston Tea Party or even the French Revolution as examples. And, of course, gaining control of the power to tax has been the golden fleece of many a would-be ruling party. Franz Oppenheimer defined the State as the organization of the political means of gaining wealth. The political means, as opposed to the economic means of producing wealth, included the power to tax, but it also included the power to collect rent — to collect wealth in return for the use of land (in any and all its forms). Oppenheimer, like Henry George, envisioned a social evolution and gradual perfectibility of the State in which, eventually, the State would serve impartially and equally the rights of all within society. State and society, formerly enemies, would become one. The lion would lie down with the lamb. With anarchists and libertarians, George and Oppenheimer saw this union of State and Society as the gradual withering away of the State — and so did Karl Marx!

Enter Fernando Scornik Gerstein. In his analysis of the British poll tax, Scornik Gerstein packs into a mere three dozen pages a sweeping view of history. He points out the fatal flaw in Marxist theory: Marx and (even more) his followers ignored the “hedonistic principle” which is “that human beings seek to gratify their desires with the least possible exertion.” And in a democracy, the hedonistic principle will lead an informed (there’s the rub — and the authors’s mission) majority to vote out of office governments that exploit them via taxation. In any society, Scornik Gerstein asserts, the majority are “those who live by their daily effort.” And how could it be otherwise?

This modest but powerful book looks at the case of the poll tax instituted by the conservative Thatcher government in the United Kingdom. Fred Harrison’s insightful Foreword sets the historic stage: the demise of the welfare state as the significant dynamic of the late 20th century. The author then jumps right on board, as if onto an already moving train.

In a gradual but definite move to replace the Rates (property taxes), the Thatcher conservatives used the poll tax to shift the burden of public finance from those most able to pay — and, as the author points out, most ethically liable to pay — i.e., landowners. From a minority of landowners, the poll tax fell upon the backs of the entire population on an equal per capita basis — i.e., unequally both in terms of ability to pay and ethical liability! The majority of working people who owned no land to rent to others had to pay the tax out of their wages and, on top of this, rent to the landowner. In turn, landowners paid out of their income (rent) their per capita but inequitably small share of the poll tax — ironically called a “Community Charge.” This also had the effect of reducing overall State revenue, and led to increasing sales and value-added taxes — which again took a greater proportion of income from the lower-income working majority than from the landed minority.

As the author points out, one lesson to learn is that land issues are urban as well as agrarian. They are issues of socio-economic structure. Death and taxes may be inevitable. But perhaps we have choices, not only about what constitutes a “good death” but what would be a “good tax”, and more basic and perhaps bearing on both(!): What is a good social relationship in regards to the use of those gifts of nature we all need to live and without which we die?

Poll Tax supplies the main details of this recent history, leading to the downfall of the Thatcher government at the polls

(pun unintended). With the majority up in arms against the poll tax, a compromise tax was brought in. While the Rates taxed “rent and capital”, and the poll tax fell on wages, a new mixed system that taxes all three was considered the answer. Instead of such a compromise, the author advises a return to the principles elaborated by Henry George: taxing rent and land values while abolishing taxes on wages and capital (interest and entrepreneurial profit). Ideally, only rent would go to finance democratically determined public services and spending.

Scornik Gerstein has divided his thesis into three parts: (1) an examination of the history of the poll tax fiasco in the United Kingdom, (2) a comparison of the ideas of George and Marx with reference to the historic tragedy of communism in Russia, and (3) sober counsel regarding the future of social evolution based on the lessons of history in light of the hedonistic principle.

We don’t get treatises like this in the Colonies very much anymore! Feeling the spirit of Tom Paine in the air, this writer is tempted to dub (which means, ironically, to knight) this well packed broadside “An Evolutionist Manifesto!” Indeed, it can be read as a manifesto for this post Marxist, post-modernist, post-everythingist, turn of-the-millennium. Grounded in historic experience and first principles, it looks to an open and, as it propounds, uncertain future. If there is one shortcoming to this small but weighty opus, it may also be its virtue in these days of shrinking leisure time: its brevity. The author could easily have doubled or tripled the length. Too often a tantalizing train of thought is jumped for another. Still, in the end, one gets a sense of having arrived at the appointed destination. This writer disembarked enriched — indeed, fortified as for a sacred mission — with social vistas fleetingly glimpsed with the help of a well-informed and inspired fellow traveler.