

Clippings from
THE CHRISTIAN SCIENCE MONITOR
RELATING TO THE PHILOSOPHY OF HENRY GEORGE

What Henry George Taught

The Wide Horizon

By Albert G. Hinman

[So many letters commenting on our comprehensive editorial of January 16, "Poverty and Opportunity," have revealed a continuing interest in the theories Henry George was propounding in the 1880's that we asked Dr. Hinman, professor of economics at The Principia College and onetime associate of Prof. Richard T. Ely in his Institute of Land Research, to comment briefly on the subject.]

"It is in the older countries—that is to say, the countries whose material progress has reached later stages—that widespread destitution is found in the midst of the greatest abundance. . . . This association of poverty with progress is the great enigma of our time." In these words, Henry George stated the problem which prompted him to write his famous book, "Progress and Poverty."

Observation convinced him that the cause of the problem was the private ownership of land which finds satisfaction not in the use of land but in the speculative gain to be derived from withholding it from use while its value is enhanced by the growth of population. This withholding prevents the productive application of labor to land and deprives society of the goods which would have resulted from it.

To solve this problem, George urged the elimination of private property in land, and proposed as the means for doing so the appropriation of all land rent by taxation. As the value of land depends upon its rent, no longer could individuals derive gains from land values, and private ownership of land would thereby become meaningless. Thus, says George, "it is not necessary to confiscate land; it is only necessary to confiscate rent." Further, as he believed this tax on rent would furnish ample revenue for government, George recommended that other fiscal exactions be abolished. Thus, his proposition has become known as the "single tax."

George defined land as "natural materials, forces, and opportunities." Any improvements to land not freely supplied by nature but for which man must labor are not land, but wealth or capital. George, indeed, referred to capital as "stored-up labor." Only the return to land as defined, to which George refers as "bare land," is to be confiscated by the "single tax." It is unearned, he reasoned, because nature, not man, provided it.

Upon this same assumption, George condemned private property in land: "The exertion of labor in production is the only title to exclusive possession. This right of ownership that springs from labor excludes the possibility of any other right of ownership. . . . The equal right of all men to the use of land is as clear as their equal right to breathe the air."

While it is impossible in a brief article to follow the reasoning of Henry George through all of its ramifications, the statement above is intended to set forth the basic ideas from which he worked out the program which he hoped would destroy poverty and bring about a social millennium. These ideas have not been accepted by many thinkers, however, and we must consider at least some of their criticisms.

One questioner, Prof. E. R. A. Seligman, asks whether any private property could be considered justifiable if individual human labor constitutes its only justification: "Nothing is wholly the result of unaided individual labor, no one has a right to say: This belongs absolutely and completely to me; because I alone have produced it."

Others question the distinction between "bare land," as the gift of nature, and capital, as man-made. They maintain that it is not practically discernible. Prof. Richard T. Ely said, "no land is economically utilizable which does not represent human toil of some kind." "Bare land" seldom exists in such form that man can use it.

(Continued on next page)

Wanted: Opportunity

To THE CHRISTIAN SCIENCE MONITOR:

Your editorial in the January 16 issue is the finest piece of writing I have ever seen in a paper. The problem you stated in it could hardly be put in a better way: it is the problem of relative poverty in the midst of wealth.

In these times when the exasperated and uninformed cry out for security, sprung out of the notion, artificially instilled in some of us by the state, that the government (or state or society) owes us a living, it is good to see somebody say that what we actually want is OPPORTUNITY. Unless we understand the difference between these two, we will end up in some kind of totalitarian state, call it fascism or socialism or communism; they are all basically the same.

You speak of the Kingdom of God, but you must be aware of how few the number of people are who think of God when they discuss economic problems. Still, this world, but for our stupidity in interpreting natural laws, God's laws, could be a good place for all His children. Nature is not niggardly and God gave us enough for all. But we don't all have the OPPORTUNITY to use our share of what God created for us. We are denied access to land, the only source of all wealth. Because whether we are farmers, or industrial workers, or just somebody who moves papers from one side of a desk to another—it's land we are standing on, the products of land we eat, the materials from land we change, manufacture, move around.

Of course I'm a Georgist; that means I subscribe to that wonderful explanation of the problem and remedy for it proposed by Henry George in his book, "Progress and Poverty."

LIDIA ALKALAY

(February 11, 1950)

(February 27, 1950)

'What Henry George Taught'

(Continued)

It must be put in a form in which he can use it, where and when he needs it; this requires human labor.

Such preparatory work is essential for land to yield rent. Of course, the rent may be more or less than an adequate return on the costs of preparing the land, but this may be just as true of any durable instrument of production. While proponents of the "single tax" declare that they would not apply the tax to such land improvements, they may be asked how they would differentiate all of them from "bare land" once they have become embedded in it. If this should not be done, the land could not be considered to be just "bare land," and the "single tax" would hardly be applicable.

Some students of the question believe that it would be unjust to single out for confiscation the return from investment in land and not touch other types of investment. They suggest, instead, that a tax be applied to confiscate only increases in rent. These increases, they say, result from the growth of population and not from exertion on the part of landowners. These individuals, however, own particular units of land, whose rents are affected more by the dynamic movements of population than they are by its general growth. Such movements do not affect all units of land in the same way; they may cause some to lose in earning power while others gain. There is the chance of undeserved losses as well as of unearned gains. How are these losses to be compensated?

Although these and other criticisms have been directed at Henry George's doctrine, no question has been raised as to the sincerity of his desire to help his fellow men. He believed that he had found the way to lead them out of poverty and into plenty. Whether he be right or wrong, his great work, "Progress and Poverty," has served the constructive purpose of stimulating widespread public interest and discussion.

Land and Capital

TO THE CHRISTIAN SCIENCE MONITOR:

I was glad to see in your February 28 issue the article by Prof. Albert G. Hinman on "What Henry George Taught."

I see from your introductory note to the article that you received many letters from students of Henry George on your excellent editorial, "Poverty and Opportunity." This evidence of widespread interest in George is particularly gratifying to us.

Professor Hinman's statement of George's position was fair enough; and in presenting objections, he left it to the reader to judge for himself. Some of these objections, however, deserve answers. Without going into the subject thoroughly, I would like to touch on those objections raised in the article.

Professor Hinman quotes Professor Seligman as objecting that "nothing is wholly the result of unaided individual labor." This "nothing" might be disputed. Even so, accepting it, Professor Seligman's deduction is erroneous. Many hands have gone into making a product. But each person has received in return the equivalent of the value he has put into it, either through wages or price. When I purchase the final product, I am paying an equivalent of the value of that product—a value that I have created. Acquiring this product in a manner where exchanging labor for labor can be traced every step of the way, I can say, "This belongs absolutely and completely to me."

Professor Ely is quoted as arguing that, for practical purposes, land is indistinguishable from capital. Yet land is recognized as a factor in production. One might as well say labor is indistinguishable from land because we cannot tell where the contribution of one ends and the other begins. As a matter of fact, the distinction can be made, and is made constantly. This can be seen in the case where one man owns land—the "bare land" and nothing else—and rents it to another man. The differentiation between unimproved land value and improved capital value is made in New York where the two are assessed separately. Columbia University owns the bare land on which Radio City has been erected, and receives an annual rent for it.

Professor Hinman mentions the proposal that only "increases in rent" should be taxed. At what point do increases in rent due to population begin? Talk about diffi-

culties of differentiation? What value does the landowner as such create? For by landowner we mean one who owns land, and by mere virtue of ownership receives an income.

Professor Hinman also speaks of unearned losses as well as unearned gains. Of course there are such losses, since speculation is a gamble. The single tax, by eliminating land speculation, would eliminate both unearned losses and unearned gains.

As for the injustice of singling out land rent for taxation and leaving other returns untouched, no comment can be made unless it is known what type of other returns are referred to.

ROBERT CLANCY, Director,
Henry George School of Social Science
New York

'Objections Answered'

TO THE CHRISTIAN SCIENCE MONITOR:

We have followed with much interest the developments in connection with the appearance on January 16 of your editorial "Poverty and Opportunity," and derive considerable satisfaction from the response it evoked from those who are familiar with Henry George's "Progress and Poverty." It is gratifying that the number (and perhaps the quality) of those letters caused you to ask Dr. Hinman to write "What Henry George Taught" for your February 28 issue.

As Dr. Hinman carefully pointed out, a full statement of George's thesis could not be attempted in a brief article. With this limitation in mind, Dr. Hinman has made a fair presentation of George's position and the principal objections thereto.

It is implicit in the philosophy of George that every man speaks for himself, and since George has already answered these objections in a remarkable chapter entitled "Endorsements and Objections," we refer the interested reader to "Progress and Poverty," page 422.

Since we cannot presume to ask you for the space to enter into extended economic discussions, we do cordially invite every one interested to attend one of our free courses. (This applies to your readers the world over, for classes are conducted not only in Greater Boston but in metropolitan centers throughout the United States, Canada, England, Denmark, Australia and New Zealand.)

JOHN S. CODMAN, President,
Boston Henry George School

(Continued on next page)

Tax-Conscious Public Turns Ear to Proponents of Henry George Theory

Single Levy on Land Value Wins Increasing Attention

By W. Clifford Harvey

Real Estate Editor of The Christian Science Monitor

'Cogent Rebuttal'

TO THE CHRISTIAN SCIENCE MONITOR.

The comment on Henry George and his taxation proposal prepared by Professor Albert G. Hinman is disappointing. It seems to me most regrettable that The Christian Science Monitor could not see its way clear to give its readers a fairer presentation.

Superficially the comment seems fair enough. It goes through the form of stating arguments on both sides and thus tends to inspire confidence in the uninformed reader. Unfortunately, the discussion follows a technique I have often noted in the writings of other economists on this same subject. That is, it first states Henry George's proposal; then suggests various objections to it; finally remarks that Henry George was a sincere and sympathetic person.

Every single objection listed by Mr. Hinman—and I feel very certain the casual reader will get the impression that the objections are regarded as pretty conclusive—has been met with cogent rebuttal. I have myself, in various books and numerous articles, participated in presenting such rebuttal but there is not the slightest sign that Professor Hinman has ever seen, still less evaluated, a single one of the strong objections to his objections. To mention a single example, I myself discussed in my book on "The Economic Basis of Tax Reform" the specific passage from the late Richard T. Ely which he so presents as to give the reader the idea that there is no effective answer which can be made to it.

Professor Ely was long—all of his professional life, I think—definitely an opponent of Henry George's tax reform and of his general economic philosophy. Professor Hinman was associated with him in his Institute of Land Economics. Your readers would not know this about Professor Ely. But to not a few who do know about him, it would appear that the mere fact of your turning to an associate of Ely for your "comment" could be evidence that you did not want the comment to be favorable to Henry George's proposal in regard to tax reform.

HARRY GUNNISON BROWN,
Professor of Economics,
Columbia, Mo. University of Missouri

This newspaper assumes no responsibility for statements of opinions in letters from its readers.

"How would you like to abolish all forms of taxation and start from scratch with only one tax to pay every year—a tax on land values?"

Louder and louder that question is being raised today by a nationwide organization of "single-tax" theorists in the face of mounting taxes of all types, forms, and means of collection, both hidden and open.

In the growing complexities of the national tax structure, the thousands of followers of Henry George are getting more and more attention from the tax-conscious public, if not from their tax-levying legislatures.

Reform Called For

For more than 50 years the "single-tax" theorists have been expounding the philosophy of their one-time leader, Henry George, who gave them a textbook called "Progress and Poverty."

Today, there is hardly a community of any size without its organization of "single taxers" who find that modern tax emergencies are gradually adding to the import of their demands for a solid, nationwide reform in the tax system.

Practically everything you buy, everything you do, and everywhere you go, there is a tax payment in it somewhere, either in cash or in the works. Every time the consumer turns around, there's a government agent there holding out for a tax payment.

Flood of Material

On a \$12,000 house, the buyer pays between \$2,000 and \$3,000 in a multiplicity of taxes, many of which he doesn't know exist.

Let's make the whole business simple, the followers of Henry George say, in a new flood of material they are dealing out to an alerted public.

What they propose is not a tax on real estate, for real estate includes improvements which should be encouraged and not stifled by taxation. They would tax land values only, increasing these values to the point where they would absorb all the requirements of the public treasury.

When Henry George first ex-

pounded that theory back in the late 1800's, there were fewer taxes by the thousands than there are today. Yet he saw that a "single tax" would do away with an army of tax gatherers and other officials and thus simplify and purify government of the people.

End to Corruption?

From the Robert Schalkenbach Foundation in New York a new pamphlet has come outlining the promise of the single tax, tinged with a glow of reformation that might help to remove "fraud, bribery, and corruption from the tax system."

"Since land out-of-doors cannot be removed or destroyed, it constitutes a form of fixed values readily and easily ascertained," the pamphlet continued. "A tax on land value can be collected with a minimum of cost and the least strain on public morals."

But the foundation insists that there are other tremendous ramifications to the single tax proposal which would enormously increase the production of wealth, make expensive the withholding of vacant land from productivity, and remove the burdens that now weigh upon industry and thrift.

Land Belongs to Community

"When we tax houses, crops, money, furniture, capital, and wealth," the foundation contended, "we take from individuals what rightfully belongs to them. But when we tax ground values, we take from individuals what does not belong to them, but belongs to the community."

"By paying a tax on the land to the community, the tenant pays for the right to use it. But he should not be prevented from using it to the fullest by also taxing the use to which the land is put."

Those are the fundamentals upon which the Henry George movement is gaining increasing ground today. It is a movement that differentiates between the value of land and buildings in a way that does not tax the initiative and enterprise of the individual. Tax revenues are thus derived from the rental of land (tax if you will) which is jointly owned by the community at large.

Henry George: Stimulator of Thought

The Bookshelf

HENRY GEORGE, CITIZEN OF THE WORLD, by Anna George de Mille. (Chapel Hill: The University of North Carolina Press, \$3.50.)

In the last quarter of the 19th century, a period when great American fortunes were made amidst poverty and social unrest, when labor unions were striving to gain an organized foothold, when housing conditions were probably at their worst and that moderate reformer Jacob A. Riis was yet to attack the slum, a man arose in the United States with a panacea.

He was not an attacker of Rockefellers or Morgans with nothing constructive to offer; he was not a symbol of anarchy such as Eugene V. Debs became; he cared nothing for money or great power; he did not intend to be a radical. He simply propounded an economic reform that he hoped would erase poverty, raise the living standards of men, eliminate slums, and by improving the lot of society, make the economic base of the moderate capitalist more stable. For this he was criticized as an "utterly cheap reformer" by Theodore Roosevelt from one side, and as a partisan of "capitalism's last ditch" by Karl Marx from the other.

The man was Henry George and his idea was the single tax.

One doesn't hear much about George or his program these days, but his idea is not lost nor is he entirely forgotten. What he stood for still inspires liberal thought; it was in the background of the New Deal; it will impel new ideas in another time of economic stress.

Henry George believed that if all rent, which he defined as the unearned increment from land, could be taken by government for taxation, no other taxes, direct or indirect, would be necessary. The land, he proclaimed, belongs to all the people; its value, he taught, was raised far more by the growth and needs of the community than by man-made improvements; and consequently, he advocated, the community should reap the benefits accruing from land use rather than favored individuals who were able either to speculate for quick profits or to make careful investments for rent.

George expounded his plan in a remarkably lucid book, "Progress and Poverty." He developed his ideas and wrote while living in San Francisco, against the background of a frontier economy where land values were rising on every side to the benefit of some but to the detriment, George was sure, of most individuals. From the day of the book's publication, Henry George's life work was established.

His chronological story is now retold by Mrs. de Mille, George's youngest daughter who fervently believes her father to have

been the greatest man she has ever known, and that his idea was the best hope ever offered to solve the social incongruities of this age. Written from such a perspective, this is not a critical biography. Mrs. de Mille makes no attempt to answer the chief criticism of the Single Tax, that it was solely concerned with land reform and that this was not enough to cope with the monopolistic problems raised by big finance and big industry. The book's chief asset is perhaps its brevity. Mrs. de Mille has combined the factual story, told in an earlier two volume work by Henry George, Jr., with the essence of George's beliefs discussed, at much greater length, by George R. Geiger in his book "The Philosophy of Henry George."

Mrs. de Mille lived through great emotional years with her father; she remembers the early struggles, which included poverty; then the years of prolific writing and incessant lecturing; numerous trips abroad, on some of which she was included; the influential part that Henry George played in the revolt against land ownership in Ireland; the impact of the Single Tax idea upon the Fabian Socialists in England; George's pronounced differences with the economic and social doctrines of both communism and Roman Catholicism; the highly spectacular series of speeches in Australia, late in George's life; and his two unsuccessful campaigns for mayor of New York City—the closest he came to crossing the bridge from advocacy to action.

She recalls how deeply Henry George believed, how he was sure that Divine Power had given him his idea and had ordained his life and work. There was nothing charlatanesque in George, any more than in his totally different contemporary, John D. Rockefeller, who also believed deeply and once said "God gave me my money." In these two opposites, who lived and worked in the same era, was dramatized the issue that, by one definition or another, has divided the American people from the days of Hamilton and Jefferson.

If the radicalism of Henry George has not come to pass in the United States, neither has the rampant individualism of Morgan and Rockefeller remained. If Henry George accomplished nothing else, he made men think. So, in another way, did Rockefeller. But Mrs. de Mille's biography is not the story of an accumulator; it is an intimate portrayal of as original a social philosopher as the North American continent has contributed to the world.

ROLAND SAWYER

(March 18, 1950)