

Farm cartel burdens

WHEN FOUR non-political organisations as important and as disparate as the World Wildlife Fund, the Council for the Protection of Rural England, the Catholic Institute for International Relations, and the Consumers in the European Community Group, make a joint statement on a matter of public interest,¹ it is certainly worth taking seriously what they have to say. These four organisations have recently produced a penetrating criticism of the workings of the Common Agricultural Policy (CAP) of the European Economic Community (EEC) in the form of a letter to the President of the European Commission.

The CAP is not only by far the most expensive item of the EEC budget; it represents almost twice the total of all other EEC spending put together. The effect of the CAP is to compel the taxpayer to subsidise certain kinds of agricultural production through farm support prices, while at the same time import duties are set on many kinds of food from outside the EEC, which naturally makes that food dearer in the shops.

As the four organisations point out, the burden which this imposes is necessarily most heavy on the poorest people, who spend up to 30% of their income on food.

This sort of observation, no doubt, explains the concern felt by a body like Consumers in the European Community Group about current practices of the CAP. But how does an organisation like the Catholic Institute for International Relations become involved in the protest? The CIIR is particularly concerned with social justice and economic development in the Third World, and the Third World is affected in a very adverse way by the CAP.

The capacity of the Third World to raise its living standards depends to no small degree on the willingness of others to buy its

CAP the lot

By ROY DOUGLAS

agricultural products. The CAP operates against this in two ways. First, the customs barriers imposed by the EEC (which are essential for the operation of the CAP arrangements) make it more difficult for outsiders to sell in European markets.

Second, the surplus EEC production, for which the European taxpayer has been compelled to pay, does not return to the European consumer at low prices, which is what one might expect from a glut. The "lakes" and "mountains" of surplus food are eventually unloaded on world markets at heavily subsidised prices, with which the Third World cannot compete.

Considerations like these explain the concern of organisations established to combat poverty, whether in Europe or in the developing countries. But how have two famous environmental organisations become involved in the protest?

The CAP positively encourages the farmer to bring the scarce patches of wild land under crops, or under intensive grazing. He is given subsidies to spread weed-killer and fertiliser, to grub up hedges and woodland, to drain the vanishing wetlands.

It is not the stimulus of the natural market of consumers, but

the artificial stimulus of the CAP, which is paying him, with taxpayers' money, for doing the very things which conservationists agree ought not to be done.

These criticisms which the four organisations level against the CAP do not complete the list of grievances. A remarkable Australian study² raises other important points. It argues that the overall effect of the CAP has been to deflect no less than £8.9 thousand millions from manufacturing and service industries. This ultimately adds nearly half a million to the appalling numbers of unemployed in Britain alone.

A RATHER striking feature of the letter written by the four organisations is that they set the blame squarely on the shoulders of the European Council of Ministers and the so-called European "Parliament" rather than the EEC Commission.

Why should that be the case? The letter does not state, but we may make a reasonable conjecture. The Commission is essentially a bureaucratic body, which is intentionally kept as free as possible from political pressures. The Council of Ministers and the European "Parliament", by contrast, are bodies composed of politicians.

Within most of the EEC countries, Governments are poised on narrow majorities, and are very susceptible to the activities of economic pressure groups like our own National Farmers' Union.

Although the great majority of people in the EEC have every-

Continued on Page 79 ▶

LAND and LIBERTY

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2819

• THE PUNCH VIEW OF HENRY GEORGE'S INFLUENCE

¹ Letter to Jaques Delors, and Press release, of 15 April 1987.
² "Effects of EEC Agricultural Policies". Bureau of Agricultural Economics and Centre for International Economics, Canberra, 1987.
³ Michael Prest: "EEC policy cost UK 'nearly 1/2m jobs'." *The Independent*, 11 May 1987.

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The Battling Professor 67

Fertile Farm Thoughts
Duncan Pickard 68

Disappointing "Cavalier"
Peter Poole 69

Hooray for Harry
Robert Clancy 70

Syndicated Shame
..... 70

Sun Yat Sen Sense!
Ken Grigg 72

George and the Scots
John D. Wood 74

Poll Tax Sizzle
Robert Miller 77

Common Law Roots
Edgar Buck 78

Agriculture Aggro
Roy Douglas 80

COVER STORY

● HENRY GEORGE's *Progress and Poverty* bridged the intellectual and class divides when it was published in 1879. His tour of the British Isles had an enormous political impact. Early commentators were not sure how to classify his philosophy — outright socialism (which George rejected as a waste-of-time solution to the problems of industrial society) or unashamed free marketeer (which he was — but he insisted on the need to socialise rental income for the equal benefit of all citizens). *Punch* satirised the debate on its front page in 1884 ... the wolf keeps his copy of Henry George's *Progress and Poverty* tucked away in his pocket.

Site value tax to the rescue!

THE QUEEN, speaking for the British government, has decreed that legislation will now be introduced to abolish the tax on homes. *Let battle be enjoined!*

Premier Margaret Thatcher rushed the legislation through for Scotland in time for the June 11 General Election, on the assumption that this would win votes for the Tories. It was a bad miscalculation: the Conservative Party north of the border was decimated.

The same will probably happen in England and Wales in four years time, for the introduction of the poll tax — in place of the property tax — will make low-income families suffer.

● A study in the county of Cleveland showed that 54% of households will pay more under the poll tax; and they contain 65% of the electorate.

● Another study revealed that 39 constituencies — all but seven of them Conservative-controlled — face increases of more than 15%, and in all cases over 65% of the electorate will be worse off.

The poll tax will unite the Labour, Liberal and Social Democrat parties. The public will soon realise that they are being sold an anti-social change to the tax system.

And like the peasants of 1380 — they revolted, and Richard II chopped off the heads of some of his ministers for brewing the trouble which disturbed his kingdom — the voters are likely to turn away from the Tories in droves.

SO WHAT is the alternative? Whitehall bureaucrats cannot propose an effective substitute.

But the Opposition will have to advocate a coherent reform of the way in which local authorities can finance their services from their own revenue. So they must be persuaded to advocate a rational reform of the property tax.

The politicians will certainly not suggest a return to the tax which

falls equally on land and buildings, which has been subjected to a great deal of criticism.

It is true that some of that criticism has been pathetic, and focuses mainly on the alleged plight of the "little old widow" living alone in a big house: she has to pay the same tax as the man next door whose two strapping sons are earning wages.

THE WIDOW enjoys the same amount of police and fire protection for her property as her neighbour; and her sewage system is no cheaper to service just because she lives alone. And what of the locally-financed health services? As an elderly widow, she is likely to use them more than the young, healthy family.

There might be legitimate differences of opinion over the cost of education. The widow does not go to school — but unless she is a spinster, her children once upon a time did do so, at no extra cost to her family budget at that time! But to overcome the argument on this point, why not transfer the cost of State education to the central exchequer?

THE GOVERNMENT — this one, or the next — will probably capitulate and bring back the property tax. That is why reformers must devote all their energies to publicising the virtues of a tax that falls exclusively on site values.

There is little need to attack the poll tax, except in passing: everyone else will do that. Nor is there need to attack proposals like the local income tax (advocated by the Liberals) which will be dismissed as just as unacceptable.

A clear case for site value taxation must be defined in attractive form, so that politicians of all hues, including Tory backbenchers — and the professional institutions, which are almost wholly against the poll tax — can with relief grasp a practical substitute to the policies that are now on offer, and which threaten to turn local finance into a shambles.

Free-market Gaffney fights for freedom on all fronts

ACADEMIC freedom is at stake in a battle between Professor Mason Gaffney and the corporate interests linked to the University of California at Riverside.

Professor Gaffney teaches economics. He labels himself as a Jeffersonian free marketeer whose strictures against monopolists has brought him into conflict with the major vested interests — and particularly those who own land and rake in fortunes from public subsidies.

Two years ago attempts were made to deprive Professor Gaffney of one of his platforms: he was offered a shortened two-year term — instead of the usual four-year term — on the influential Public Utilities Board.

His opponents claimed that he had a poor attendance record. Professor Gaffney countered by bluntly saying the charge was a lie.

The head of the local Chamber of Commerce, Art Pick, attacked by claiming that "Everyone around here knows that Gaffney does not understand economics".

His backers, including an economics professor from California State University at Fullerton, say that Gaffney's alleged absences were a "red herring" designed to discredit him because of his straight talk.

Professor Gaffney is an authority on the economics of natural resources. He has testified to Congressional committees, and published many authoritative papers on the subject. He was hired 10 years ago to strengthen the university's economics department.

That was when he stirred up a hornets' nest. He outspokenly employed a radical analysis of private property rights in land, which was originally articulated by Henry George in *Progress and Poverty*.

Professor Gaffney commended the free market in which the small entrepreneur could flourish without governmental interference.

And that was bound to lead to a clash. For, as Peter Asmus, writing in *The Orange County Register*, noted: "It was these beliefs that threaten the very fabric of life here in the 'Inland Empire', where things like huge governmental subsidies for big corporate and agricultural outfits have become institutionalized practices."

● Gaffney attacked the low utility rates paid by Rohr Industries, the giant aeroplane engine manufacturers and the largest employer in the area.

Small businesses, he said, ought to get some rate relief instead. Pick



● Professor Gaffney

retaliated and was quoted as characterising small businesses as "parasites".

● Gaffney attacked the local politicians who, working with the Metropolitan Water District Board, borrowed heavily to finance irrigation systems which push up rural land prices.

He advocated free-market water pricing, to conserve water. Lois Krieger, a member of the MWD board, retaliated by claiming that Gaffney's free-market concepts did not belong "in the real world".

Krieger is also a member of the University of California Riverside Foundation, a group of wealthy university patrons who encourage the university to undertake research on behalf of commercial and industrial enterprises. Professors share in the profits of their inventions.

Professor Gaffney, a small farmer in his own right, did not court popularity when he bluntly exposed the

way in which agri-business used the university for its commercial ends.

"The agri-business giants get their way in these parts," he says. "They try to paint themselves as self-reliant frontiersmen, but a more accurate depiction would be a welfare-taker."

"Agricultural people see this place as a big industrial laboratory to serve agriculture. The university has become an attachment to the industry, and it shares its viewpoints and vested interests."

Now Professor Gaffney has been barred from teaching resource economics — the result, he believes, of his outspoken views about local water and land policies.

The economics department has acquired a reputation over the years for its Marxist bias. And this has forced Professor Gaffney to fight on a second front: against the lecturers who want to turn the department into "a monolithic, intolerant bastion for a single ideology".

But it seems that, when it comes to a choice between marketeers and Marxists, the tax-subsidised entrepreneurs know where their interests lie. After investigating the row, Peter Asmus concluded that Professor Gaffney's days at the university are numbered.

"Riverside's university and business community would, it seems, prefer to work with Marxists whose teachings are delegated to the ivory towers of the classroom, than a free-speaking free-marketeer who tries to apply his ideals and theories to the local economy."

The Return Of The Wild is an attempt by Tony Crofts to examine the problems of farming in the U.K. in the context of the whole economy and its inter-relations with other countries. Whereas it is common to find agricultural problems discussed in very narrow terms, likewise "housing", "unemployment" and "balance of trade", Tony Crofts believes these things profoundly affect one another.

Of the various options for agriculture in an age of product surpluses and reductions in grants and subsidies, Tony Crofts assesses the potential for organic farming and for forestry. Both options are limited by economic constraints. Only owner-occupiers with no bank loan can afford to contemplate organic farming and small-scale forestry is impossible without considerable financial assistance – especially in the early stages.

It is the considered opinion of Tony Crofts that the Eastern Counties will remain in cereal production and the hills and uplands in livestock rearing. It is that enormous wedge of land between these two which will see the biggest need for change – that area which has drifted to and fro between arable and

Fertile thoughts

livestock farming over the last hundred years, depending on the prevailing economic winds. Forestry is potentially the most suitable option for future diversification in this area.

A recurrent theme appears throughout this book which sees the question of land ownership as central to the solution of agricultural problems, not only in this country but throughout the world. As long as individuals are allowed – even encouraged – to regard land as a reservoir of capital rather than the essential basis of human life which is a common heritage of all, there will be major conflicts over land use.

The gap in status between those who own land and those who are denied access to it will continue to grow. It is inevitable, given the present taxation system, that the large farmers will get larger as grants and subsidies are removed.

Land nationalisation is clearly seen as a detrimental and entirely unnecessary move, and Tony Crofts opts for the taxation of land values as a

means of ending the monopoly on land ownership and of increasing the opportunity for more people to enjoy the countryside.

The effects of grants and subsidies on agriculture are not, on balance, seen as being beneficial because of their effects on land prices and rents, but this is considered to be relatively insignificant compared with the influence of tax incentives, especially tax relief on mortgage interest, on property prices. This has meant that the fixed costs in agriculture are very much higher than they should be.

This book differs from others on the same topic because it not only describes the problems but offers a realistic and attainable pathway towards their solution; that is, the collection in taxes of the annual land value which has been generated not by the owners of land but by the rest of society.

DUNCAN PICKARD

*Friendly Press, Home Close, High St., Stonesfield, Oxford OX7 2PU. £5

Dear Sir, Your reviewer's article May-June 1987 on a booklet written by Joseph Comby and myself about "l'impôt foncier" in France was aggressive in character, and I think that some misunderstanding can explain some of the comments.

1) We are supposed to "consider that land is simply another form of capital". Pp. 121-123 clearly express an opposite point of view, including a quotation of Henry George's.

2) The French expression "impôt foncier" is commonly used for both land-value tax and property tax, as explained on pp. 41-42. The role of Chapter 1 ("Les principaux types d'impôt foncier dans le monde") is precisely to show the variety of meanings of "impôt foncier" throughout the world, including site-value taxation, which, I think, is the most satisfactory device.

3) We are supposed to draw "totally erroneous conclusions" from the statement of the complexity and administrative cost of the "impôt foncier" in France... The real main conclusion can be found on pp. 111-119, where we propose a set of improvements in order to establish a more satisfactory land

• LETTER

tax, which we consider as "le meilleur impôt communal" (p. 113).

4) The coherence between the different objectives of a land tax is not at all evident, as can be seen in numerous countries including Japan, Germany, Great Britain, United States ... and obviously France.

Your reviewer's point a) reveals a misunderstanding of our point. Saying "un impôt qui mange son assiette", we mean that a tax on development land, if successful as an incentive to develop this land, will bring limited proceeds;

Point b) can be illustrated for example by tax exemptions used as an incentive to keep private lands as open space when such land, owned by rich people, has a high market value.

Our book is an attempt to give an overview of the "impôt foncier" in France, with its numerous drawbacks and shortcomings, and to suggest that there were other ways of thinking and implementing land taxation.

Land taxation is a difficult subject.

The thought of Henry George is important. Site value taxation is probably the most satisfactory device on a theoretical point of view. Its implementation nevertheless raises a lot of difficulties.

Vincent Renard,
Laboratoire D'Econometrie
De L'École, Polytechnique, Paris

• Reviewer LYNNE NICHOLS writes: If there were any misunderstandings on my part, I feel that these were only where I had to guess when the authors were using "impôt foncier" to mean land value taxation and when they were using it to mean "property tax" – hence the importance of defining one's terms. In many cases, it was clear enough from the context, but in some cases I may have guessed wrong. I did not think I did so, however, in relation to their conclusions.

Mr. Renard translates the phrase "manger son assiette" as giving "limited proceeds". My understanding of the term is wider – i.e., that these "limited proceeds" result because the asset is all the time diminishing in value.

• PETER POOLE dissects Mark Blaug's *Economic Theory in Retrospect*, Cambridge University Press, Fourth edn., 1985.

ECONOMISTS tend to ignore land in their text books. At best the student can expect a brief formal treatment of the subject, grudgingly incorporated for the sake of apparent completeness. Books on the history of economic thought ought to be different, however, because they have to provide an explicit treatment of the classical economists who analysed land as one of the three factors of production.

Historians, alas, also now tend to neglect land, which is why the fourth edition of Blaug's book promised to be refreshingly honest. In his introduction the professor, who teaches at the University of London Institute of Education and University of Buckingham, states that he introduced "an entirely new chapter on the history of location theory, a subject almost totally neglected in rival histories of economic thought, which is of great interest in its own right and also serves to explain the recent emergence of urban and regional economics as specialized fields of study."

Professor Gaffney's trenchant critique told us why economists down-graded land as a subject for serious study: they were either opponents of Henry George, the American economic philosopher, or they accepted distortion as a way of heightening the importance of their own perspectives.

Blaug was going to be different! Our test was his treatment of Henry George, the most famous of land economists. Blaug turned out to be a disappointment.

It is not true that George's proposal for a Single Tax on the economic rent of land "was widely misunderstood, partly because of his clumsy exposition, as advocating nationalisation. In point of fact, he only proposed to tax pure rents, exempting the returns from site improvements" (emphasis added).

This is an offensive textual criticism; even George's enemies acknowledged that his exposition was one of his virtues. None other than Leo Tolstoy eulogised Henry George's literary talents. In a letter written to Moscow on April 27, 1894, Tolstoy referred to George's *Social Problems*, which was written in an "exceptional manner (unparalleled in scientific literature) clear, popular and forcible, in which he stated his cause – and especially by (what is also exceptional in scientific literature) the Christian spirit that permeates the whole work. After reading it I went back to his earlier *Progress and Poverty*, and still more deeply appreciated the importance of its author's activity".² It is not true that "the concept of site value taxation



• Robert Andelson – "exemplary treatment of his subject"

LET DOWN BY A 'CAVALIER'

was never seriously discussed." Blaug shoots himself in his foot, by adding a footnote which explained that "All the leading British and American economists of the day – Alfred Marshall, Francis Walker, Edwin Seligman, Thomas Carver, and Richard Ely – wrote extensive critiques of George." This grudging reference was forced out of Blaug because he was obliged to take into account Professor Andelson's exemplary treatment of the subject.³

The powerful influence of George's theoretical work can be inferred from these references in Blaug's book:

• "The *Fabian Essays*, in which Sidney Webb and G. B. Shaw fused Ricardo's theory of rent as reworked by Henry George ..."

• "It was the rise of Marxism and Fabianism in the 1880s and 1890s that finally made subjective value theory socially and politically relevant; as the new economics began to furnish effective intellectual ammunition against Marx and Henry George, the view that value theory really did not matter became more difficult to sustain."

Unfortunately, students of economic history will be swayed by Professor Blaug's reading of *Progress and Poverty*. He believes that George failed to convey his message:

"What George was after was to destroy land speculation, and he should have devoted all his energies to clarifying the distinction between a tax on 'site values' and a tax on 'betterment'. But this aspect of his argument was little developed in *Progress and Poverty*."

This is such a breathtakingly cavalier treatment of his book that one is tempted to suspect that Blaug has not read it. On reflection, it would have been better if Blaug had left well alone, and produced the standard – partial – treatment of the history of economic theory. Anyone interested in the subject can do no better than to consult the works of Professors Gaffney and Andelson.

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2. *The Works of Leo Tolstoy*, Vol. 1, Essays and Letters, translated by Aylmer Maude, Oxford UP, 1911, p. 215.
3. R. V. Andelson, Editor, *Critics of Henry George*, Fairleigh Dickinson, UP, 1979.

★ WORLD BRIEFS ★

CANADA: Montreal realtor Bernard Senez seeks \$1m compensation for being "ripped-off" on a sixties land deal. The option he bought on 3.2m sq. feet of land lapsed when he was unable to sell the site. Former colleagues obtained the option, and the land was "flipped" – sold and resold – ending up with a Bermuda-based company which sold to the Quebec government for \$2.1m. A royal commission found the Quebec authorities had been swindled of almost \$750,000 when it bought at 66 cents a sq. ft. instead of Senez's 35 cents asking price.

NAMIBIA: The National Assembly has been told by Minister of Agriculture Jan de Wet that its biggest challenge is the resettlement scheme for landless and novice farmers.

ment scheme for landless and novice farmers.

ENGLAND: Prince Charles, touring East London slums, confessed to being "appalled". A Bengali-run leather workshop had dirt hanging from the ceilings. "They are working and living in conditions almost as bad as those on the Indian sub-continent," said the prince.

CHINA: Peking's economic liberalisation – farmers can now obtain 15-year leases to harvest their own plots – has created a baby boom. The new prosperity means that mandatory fines against couples who have more than one child can be paid out of higher incomes.

By
ROBERT
CLANCY

Mixing with a

IF IT WERE asked who was the most outstanding economics professor who made land value taxation the cornerstone of his teaching, the answer would be Harry Gunnison Brown who died 12 years ago, aged 95.

Professor for many years, author of several books and articles, Brown is at last the subject of a new book outlining his economic teachings.* His influence has been more pervasive than is generally recognized, many of his students having gone on to notable careers, and his many associations with well-known economists are cited in this book. Paul Samuelson counted him among the prominent American economists born after 1860.

Author Christopher K. Ryan offers a brief biography, then considers various phases of Brown's teaching. The core of his career was at the University of Missouri, where he headed the Department of Economics, spanning 1915-1947. Earlier he taught at Yale, and later at the New School in New York and Franklin and Marshall College in Pennsylvania. While at the latter, he worked to promote the adoption of land value taxation.

Brown stayed with the classical tradition and accepted land, labour and capital as the factors of production, and rent, wages and interest as their returns. He disapproved of the innovation of John Bates Clark and others in confounding land and capital and in blurring "economic rent" as a return to any factor of production above a marginal return. His conception of land was "land space" which was fixed and non-reproducible.

Economists who basically agreed with Brown included H.J.

NEW STUDY OF HARRY GUNNISON BROWN

Davenport and John R. Commons. They also agreed with land value taxation, at least to a great extent. Those who disputed this view included Frank Knight and Willford I. King.

IN ALL his works on the subject of taxation, Brown argued strongly for greater land value taxation and against taxes on production, using economic arguments that impressed colleagues even when they refuted his conclusions.

Though an admirer of Henry

George, Brown was not a thoroughgoing "single taxer", but he did advocate that income from site values should constitute the first source of public revenue, and that other taxes should be eliminated to the extent possible.

Also, he did not go all the way with George in citing land speculation as a basic cause of the business cycle; and he had reservations about George's refutation of Malthus.

Nevertheless, Brown did regard

DELAYED

WALL Street Journal headline

"Land Partnership Drawing New Interest As Tax Overhaul Hurts Lure Of Shelters." (March 24, 1987).

It turns out that a growing number of syndicators are selling land partnerships to both well-heeled and modest-income investors. Today, 54 syndicators are selling these partnerships, up from only three in 1984. Many say they hope for annual returns of 20% to 30% when the land is sold.

It's better in this game to be well-heeled rather than modest-income, since land properties may have to be held for many years before they can be sold at such profit margins. You have to have staying power.

And moral blindness. Such land speculators have not created the land from which they profit so much — God did that, presumably for all of us to have equal access to. They profit but have not produced, so necessarily the real producers give up to do-nothing landowners some of what they have produced.

Note that it is not just land speculators who rob from the real

producers — it is landowners of all sorts. It's just that speculators are the most egregious type of land-owning robbers.

Take the case of Clifford Tracy, a Costa Mesa, Calif. accountant who thinks the time is ripe to invest in land. He recently put \$20,000 in a partnership syndicated by TMP Properties, Inc. that owns undeveloped land near Riverside, Calif. The property is a good investment, Mr. Tracy says, because it's in the so-called "Inland Empire", one of the last open areas in southern California with affordable housing for workers.

Those homes for workers will now be a lot less affordable because of landowners like Mr. Tracy, but no doubt he is not aware of that.

Mr. Tracy doesn't mind tying up his money for three to five years until the land is sold to a developer

By
STEVE
CORD

Missouri marvel

land value taxation as important enough to cover fully in one of his best-known works, *The Economic Basis of Tax Reform*. This included the place of land in economic theory, the concept of rent, the economic effects of land value taxation, and strategies on promoting the measure.

Brown considered landholding a privilege which land value taxation would remove. He criticised the proposal to tax only future increments of land values as avoiding the issue of "vested rights" in land, which he challenged.

He was also an advocate of free international trade. He did important work on the regulation of

utility rates. He was a monetarist, collaborated with Irving Fisher, and his views were commended by Milton Friedman. While opposing the Keynesians, Brown thought they ought to recognize that higher land value taxation and reduced taxes on capital would remedy some of the ills they cited and raise the return on capital investment.

Brown ranged over the field of economics in *The Basic Principles of Economics*, long used as a textbook. He was much admired as a teacher. It was said that even though he did not emphasize mathematics in his work, his exposition was so clear and precise

that it partook of mathematical precision. (I can vouch for that, having heard him lecture.) He stressed objectivity in his teachings, but still sought to bring out issues of economic rights and wrongs.

THOUGH Brown covered the entire field of economics, Mr. Ryan brings out clearly that land value taxation was his most notable interest, and that he is mostly remembered today for his advocacy of the measure and his arguments with other economists about it. It was a great disappointment to him that economists in general did not accept the policy. Brown found their objections unsound.

His career was in the generation after Henry George when there was lingering hostility among economists which was inherited from those of George's generation against this amateur upstart. That period is over and now there is the possibility of a more objective look at land value taxation.

While most of today's "mainstream" economists are not enthusiastic advocates of land value taxation, neither are they particularly hostile. They concede that the land value tax has merit, is neutral, is not a charge on production and that it cannot be shifted. There is also some recognition of land value taxation as an instrument in urban renewal. Economists who more strongly advocate the measure include Mason Gaffney, William Peirce and Roger Sandilands.

An impressive bibliography and citation of economists in Mr. Ryan's book attest to the extent of Brown's work, influence and associations. We are indebted to Christopher Ryan for offering an overview of this remarkable man and his teachings and for helping the world to remember Harry Gunnison Brown.

ROBBERY

at what he expects will be a handsome profit. "My potential return will more than make up for the loss of cash flow," he says. His annual rate of return on a previous land investment with the Orange, Calif.-based TMP was more than 12%, Mr. Tracy adds.

We ask the reader to imagine an economy where there is no land speculation because the annual land-rent is being collected by the government in lieu of taxes on wages, buildings, sales and other labor-produced incomes. There would be no land speculation then because there would be no annual land income available to a speculator, or to any landowner, for that matter.

● Workers would then be able to afford better or cheaper housing, since they would not have to pay land-speculation costs.

● Accountants such as Clifford Tracy would pay no taxes on their wages; nor would other workers.

● The return to labor would go up, thereby increasing private incentive and initiative, thus also economic growth with less unemployment and poverty.

● If taxed, land would have to

be efficiently used. This by itself would spur economic growth.

● Here we go again with another speculative land boom (no doubt we are in the midst of one already, but now a new spurt). It can only be abetted by a monetary inflation, which seems to be looming on the horizon. The inevitable BUST/CRASH will follow, sending non-LVT economists scurrying all over to come up with morsels of truth to explain why it happened. Meanwhile, the basic land cause was right in front of their eyes, too big for them to see.

● The robbery of producers by non-producing landholders would suddenly cease.

Note that we do not call private landownership into question, only untaxed private landownership coupled with the taxation of privately produced wages and labor-produced capital investment.

Now, dear reader, what do you intend to do about all this? One hundred and fifty years ago, would you have stood aside in the Great Campaign to Abolish Slavery?

*Harry Gunnison Brown, *Economist*, By Christopher K. Ryan. Westview Press, Boulder and London, 1987. \$23.50.

Far East should swallow doc's remedy once again!

AT THE TURN of the century, Germany had a concession at Tsingtao in Northern China, a coastal fishing village. The intention was to build a port to service an inland mining operation.

It was recognized early that there would be the danger of the economic value of anticipated development in the region being speculatively capitalized into a "futures market" in the selling price of land. This would stultify development and economic viability. The German government appointed a diplomat, Dr Wilhelm Schrameier, to draw up a Land Ordinance for the Tsingtao region which would prevent any such anti-social outcome.

Starting from first principles, Dr Schrameier evolved a policy in which increases in the locational value of land would be socially channelled. Speculation would be rendered fruitless.

There were two main elements to Dr Schrameier's ordinance: a tax of 6% per annum upon the assessed value of land titles, and an incremental tax upon realized profits from the sale of land at the time of sale.

Dr Sun Yat Sen observed the Tsingtao ordinance in operation in 1913, the success of which gave a practical boost to his acceptance of Henry George's postulate that the value of land should be vested in public ownership (although, of course, the land could be privately held and used). The annual land value tax element in Dr Schrameier's programme was *de facto* the social appropriation of the economic rent of land.

Dr Schrameier arrived at his proposal without prior knowledge of the detailed social philosophy that Henry George had built upon the foundation of his "single tax" on the value of land. The obvious need perceived by Dr Schrameier brought forth the obvious solution!

DR SUN emphasized the dangers of land speculation in China, especially in its major centres like Canton and Shanghai, in the exposition of his Third Principle in his SAN MIN CHU I lectures in 1924. He extolled the "land tax" as the method whereby the social infrastructure of cities could be developed and the environment enhanced, while avoiding the accumulation of great private fortunes from unearned increment in land values.

Dr Sun emphasized the *incremental* land tax feature of Dr Schrameier's programme, rather than that of the recurrent *annual* land tax. This latter in Georgist theory, would have

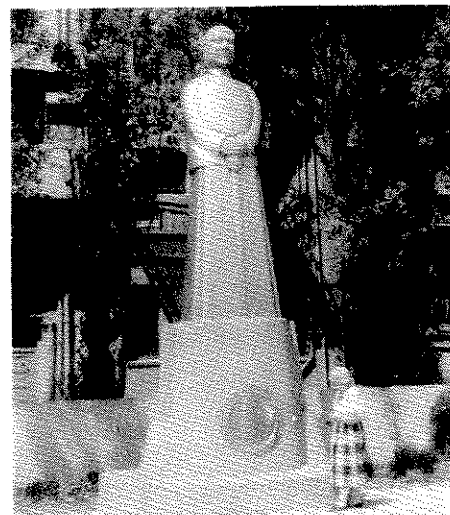
guaranteed to the community in perpetuity the revenue from the rental value of land as a normal distributive share of the value of ongoing production. But J. S. Mill's proposal for an incremental tax was a proposal which George, in his *Progress & Poverty*, had severely criticized as being inadequate.

The truth of George's contention has been borne out in Taiwan, where the high price of land in Taipei and other major centres is a serious problem. Taiwan has undergone incredible evolution from a rural economy to a well advanced industrial economy in three decades. So has South Korea. But both need to study Japan in order to get a glimpse of what the future holds for them – unless they overcome the land price problem.

In Japan a very ordinary apartment can cost 30,000,000 yen. As Henry George said, the reason why real wages do not go up is precisely because the price of land does! Invention and social development obviously increase general productivity and hence overall living standards, but the relative gap between rent *receivers* and rent *yielders* in the context of private owner-



● Dr Sun Yat Sen



● Sun Yat Sen statue, San Francisco

Sun has never set on the Schrameier Prescription

By
KEN
GRIGG

ship of land, widens and widens. That is the basic theme throughout George's writings.

Dr Schrameier determined to come to terms with the problem by arriving at precisely the same solution in the format of his 6% *annual* land value tax proposal – so that the *whole* community would gain equity in all of those increases in the utility, and hence value, of land that accompanied societal growth and development.

It is unfortunate that Dr Sun had had no personal experience of land value taxation in Australia, particularly at the municipal level, for therein he would have discovered that the annual land tax principle was long entrenched in "site value rating" as the major source for municipal revenue.

DR SCHRAMMEIER'S ordinance was not primarily designed as a revenue raiser. It was designed as a fiscal mechanism to prevent the social ravages of land speculation. Nevertheless a land value tax that is designed to be a substantial revenue raiser will, in the act of yielding revenue to the community, deny that selfsame revenue to private landowners as an unearned income. And to the extent that land rentals were denied to private landowners, these could not be capitalized into selling prices.

Indeed, the effective operation of the *annual* land tax would render the incremental tax unnecessary because there would be very little increment in the realisable selling price! A specific case in point is the construction and financing of the Taipei Rapid Transit Underground Railway. The immediate environmental effect will be to greatly reduce the smog problem and to facilitate commuting. The immediate economic effect will be to boost the rental value of land in all of those areas of Taipei City – and beyond – wherein the environmental benefits will be enjoyed.

Taiwan at all levels of administration needs to rediscover, appreciate and apply the "Schrameier Principle". By that term is implied the raising of public revenues from the land values generated by social development. The physical engineering of building infrastructure must be matched by the social engineering of taxation policy, so that the people as a whole, in contributing, by their presence, to the general improvements in

conditions of livelihood, should share equitably in the economic benefits of those improvements.

The Australian "site value rating" system is tailor-made to the requirements of funding the capital costs of such developmental projects as the Taipei Rapid Transit system:

- Land valuations for each and every title to land should be assessed and kept up to date annually.
- Valuations should preferably be expressed in terms of the *annual rental value* of the land, i.e., in terms of tangible income flow, rather than in terms of static, lump sum "capital" value. (This is preferable to Dr Schrameier's X% tax on capital figures as it expresses the spirit of the proposal more directly, i.e., the concept that rentals arise as a distributive portion of Gross National Income, being generated by the increased economies that new or better services provide. Dr Schrameier's format of the tax would, nevertheless, of course have the same end effect.)

- An annual RATE of X cents in the dollar of assessed annual rental value is "struck" in order to meet the requirements of all capital expenditure and its servicing.

- The capital funding of the system is tangibly assured; and the policy of funding capital by adding capital costs into consumer charges can be eradicated, thereby maximising consumer patronage of the system.

Although the rental value of land in Taipei will go up because the Rapid Transit System will generate tangible economic benefits, nevertheless, with sufficient incidence of land rental tax, the price of land as a capital (or, rather, "capitalized") sum will *not* rise: there will be generalized community enrichment instead of sectionalized, privatized, unearned capital gain.

The same fiscal reasoning could also be applied immediately to the financing of the Sun Yat Sen Freeway, and to the other major national projects, either completed or contemplated. The Freeway has boosted the rental value of land from Keelung to Kachsiung! Let the land rentals pay for the Freeway – and abolish the toll gates!

The Republic of China in Taiwan can pragmatically claim that its free entrepreneurial economy is superior to the Marxist collectivism on the Chinese mainland. With that assessment Dr Sun Yat Sen would most assuredly have agreed. But to stop there is to express but half the truth – a "half truth."

If Taiwan, so full of promise in the Fifties and Sixties, is not to eventually become an "old" country with a stultified economy like so much of the West, then, faithful to the dreams of Dr Sun Yat Sen, it *must* solve its land problem. Dr Schrameier long ago provided the model. Will the vision continue?

ON THE 6th of January 1884, a short, middle-aged American disembarked from the Liverpool train at Euston station to a tumultuous welcome from a 3,000 strong crowd. Hoisted onto the roof of a four wheel cab the American proclaimed the coming of "a great revolution", then drove off to the hotel where he had been a guest for the past three days. Henry George, soon dubbed the Prophet of San Francisco by the Duke of Argyll, had well and truly "arrived".

Of the steady stream of American social reformers who stumped Britain in the 19th century few occasioned so much controversy as Henry George. Almost completely forgotten now he was for a time next to Gladstone the most talked about man in Britain. To his supporters he was a modern Wesley, the "new St. Paul of the political world".

The established press dismissed him as a communist, a "yankee adventurer", and a "half-mad demagogue". The debate centred on George's book *Progress and Poverty* held by Alfred Russell Wallace the land nationaliser to be "undoubtedly the most remarkable and important work of the century" and reviled in other quarters as the "bloodiest treatise since the Chartist movement".

Progress and Poverty was certainly that rare type of book – a best selling work of political economy. With sales of over 100,000 copies in Britain alone it replaced *Uncle Tom's Cabin* as a trans-Atlantic classic. It represented a skilful fusion of the orthodox economic theories of Ricardo and Mills with the more radical notion of natural rights.

The book's starting point was man's God-given right to the land. Private property in land was unjust as it restricted access to the land. As technological progress increased industrial production, the benefits, George argued, went not to the labourers or even to the capitalists but to the landlords in the form of increased rent.

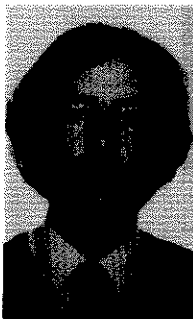
The remedy proposed in *Progress and Poverty* was the raising by the state of a tax equivalent to the rental value of the land. Not only would this "single" tax compensate the poor labourer for his lost birth right to the land, but it would obviate the need for other forms of taxation and be politically more acceptable than full land nationalisation.

In a Britain shaken by economic depression and pre-occupied with the so-called "land question", *Progress and Poverty* was a literary bombshell. For George the book was the culmination of a life of struggle and soul searching. It reflected his teenage rejection in Philadelphia of the formal religion of his parents which condoned slavery and his gradual commitment to a personal religion of social reform. It drew also on his precarious early career as a journeyman printer and on his crusade in the 1870s as editor of the San Francisco Post against land speculation and monopoly – evils he believed retarded the settlement of California and brought the eastern disease of unemployment to the streets of San Francisco.

George's notoriety in Britain was due also to his

Grasp your thistle...

• The author is a Scottish teacher. After receiving his M.A. from St. Andrews University, where he majored in American History, he entered the North American Studies Programme at Edinburgh University. His M. Litt. thesis compared the populist revolts of the Mid-west and southern states of the U.S. with the land reform agitation of Ireland and the Scottish highlands and identified a transatlantic reform community centring on the philosophy of Henry George. Mr Wood's paper was published in the *Scottish Historical Review* (April 1984).



• John D. Wood

close association with the quasi revolutionary Irish Land League. He had spent much of 1882 in London and Ireland reporting the Irish Land War for the New York Irish World. The Kilmainham Pact of May 1882 between the Irish leader Parnell and Gladstone's Liberal government dashed any hopes George entertained that the largely nationalist movement might provide a vehicle for radical land reform in Ireland. George remained friendly however with Michael Davitt the ex-Fenian founder of the Land League who continued to urge land nationalisation.

On a jaunting car trip through the West of Ireland just prior to his return home in October 1882 George was arrested and detained twice by a nervous constabulary as "a stranger and a dangerous character." The publicity surrounding the arrests, which raised a storm in the House of Commons and led to an official apology by Earl Granville the foreign minister to the United States government, brought George into the political limelight as a vaguely menacing figure and heightened interest in *Progress and Poverty*.

With his star rising George gained easy access to liberal and radical circles in London. Helen Taylor the rather eccentric step-daughter of John Stuart Mill, embraced his teachings whole-heartedly. He struck up an uneasy friendship with the Marxist Henry Hyndman who attempted over a number of years to convert George to Socialism. Herbert Spencer, the philosopher, George dismissed as "most horribly conceited", but he found Joseph Chamberlain stimulating. The latter, "electrified" by *Progress and Poverty*, was shortly to introduce advanced land reform measures into his Radical Programme.

The land campaign George mounted between

HENRY GEORGE'S MESSAGE TO THE SCOTS



January and April 1884 was loosely organised by the London based Land Reform Union. It entailed visiting over sixty towns including most major cities, and the delivery of seventy-five lengthy speeches. Of all parts of Britain, Scotland, which George reached in early February, proved the most receptive to his message. It was here after all with the Crofters' Revolt raging and the cities crowded with Highland and Irish exiles that the unacceptable face of landlordism was most apparent and keenly resented. The Presbyterian Scots moreover responded to the religious strain in Georgism just as they had to the evangelising of Moody and Sankey the decade before.

"Preaching" first for the Rev. David Macrae in Dundee, George travelled north to Wick and thence to Skye where he "bearded landlordism in its den." George's LRU contact at this stage was Dr. Gavin Brown Clark a founding member of the Highland Land Law Reform Association (the leading pro-crofter organization) and later Crofter MP for Caithness. Clark believed that George's presence in the Highlands would advance the cause of land reform in that region. Local HLLRA leaders disagreed, arguing that moderates would be put off by the "drastic dose" proposed by George, and in vain urged the latter to "mind his own business."

Landlord opposition reared its head in Skye where George, refused the use of school and church halls, was forced to conduct his meetings on the open hillside. The crofters welcomed him warmly, flattered perhaps by American interest in their plight. At Glendale they removed the horses from George's "machine" and dragged him forward to the sound of their famous horns. At Kilmuir a cairn was erected in his honour.

With John Macpherson the Glendale Martyr as interpreter, George recommended passive resistance "on the Irish model" to counter factor tyranny, and counselled against acceptance of all "half-way measures." No matter how tenaciously the crofters asserted their belief in the communal nature of land ownership, George reasoned privately, they were too few in number to exert much political pressure. The revolt, however, deserved encouragement as a reminder to lowland city dwellers of "the iniquities of landlordism".

George was at his most prophetic in Glasgow, the

birthplace of his maternal grandfather John Vallance. What kind of "word" was being preached in Glasgow, he demanded of a crowd in the City Halls, which allowed such extremes of wealth and want to rub shoulders? How could expensive church building and lavish spending on overseas missions be reconciled with the fact that 41 out of every 100 citizens of Glasgow were forced to live in single roomed tenement slums "that would appal a heathen"? Low wages, want, vice, degradation were not George asserted "the fruits of Christianity" but came rather from "the ignoring and denial of the vital principle of Christianity."

While in Ireland they did some "kicking against this infernal system", George taunted, the devout Scots acted as though the lairds had created the heavens and the earth. As a result the Highlanders were being steadily pushed off the land to swell an already overcrowded labour market. The single tax remedy, however, would get at the landlord "dogs in the manger" and provide free education, parks and pensions for all. "Moderation" George declared in a rousing finale, "is not what is needed; it is righteous indignation. Grasp your thistle. Take this wild beast by the throat. Proclaim the grand truth that every human being born in Scotland has an inalienable and equal right to the soil of Scotland!"

This severe tongue-lashing had the desired effect. Led by Richard McGhee, an Irish-born Glasgow MP, William Forsythe, a lawyer, and the veteran land reformer, John Murdoch, the Scottish Land Restoration League, a purely Georgite body was established with branches in Edinburgh and Aberdeen.

George welcomed the League's manifesto as a "lark's note in the dawn." The Scottish reputation for logic and intelligence, he declared to a Greenock audience, would help the world wide spread of the movement. He intended the SLRL as a cross party pressure group, "a nucleus where information could be gathered", and a mechanism for articulating working men's grievances.

In the event the organization took a more direct political role and although it failed to make a significant impact at municipal and general elections it attracted a new generation of radicals such as Keir Hardie and Shaw Maxwell, and provided an institutional stepping stone to the establishment of the SLP in 1888.

Criticism of George had by this time reached fever pitch. The *Glasgow Herald* piqued that an American should berate the Empire's second city warned that "underlying the pulpy piety, persuasiveness, and benevolence of Mr. George the hard shell of the revolutionist appears." He was accused in the *Greenock Herald* of lining his own pockets in the cause of reform.

Potential allies were put off by George's unwillingness to "buy out" the landlords and the growing band of socialists were puzzled by his reluctance to extend nationalisation from land to capital. Indeed

Continued on Page 76 ▶

Marx dismissed him as a "panacea monger" and his programme as "the capitalist's last ditch."

Most harmful to his historical reputation in Britain was the handling George received by academic economists. Alfred Marshall of Cambridge declared there was "nothing new" in his theories. James Mavor, professor of political economy at St. Mungo's College was shocked on meeting the American in 1882 to find him ignorant of both Scots and French Physiocrats. George, to his credit, made no claim to originality. It delighted him that his theory was "no mere yankee invention." Wherever possible he referred to earlier land tax writings to bolster his case freely recommending Patrick Dove's *Theory of Human Progression* to an Aberdeen audience and cooperating with Hyndman on the republication of Spence's *The Real Rights of Man*.

Razor-sharp with hecklers, George ruled never to counter critics in writing, maintaining throughout his life that *Progress and Poverty* answered all their points. The continuing success of the book with the less literate vindicated this policy. To refine his theory in response to criticism would weaken its propaganda force divorcing economics once again from the man in the street.

At the bequest of his Scottish followers George broke this ruling once to reply to an attack by the Duke of Argyll in the Nineteenth Century Magazine. Argyll who had resigned from Gladstone's government in protest over the 1881 Irish Land Act, was the leading Whig landowner in Scotland and too grand a target to ignore. By subtly confronting him with "the sins of his ancestors" and contrasting Argyll's anti-slavery record with his attitude to the crofters, George, in the eyes of his supporters at least, got the better of the exchange.

George returned to New York in April 1884 well pleased at having "started the fire in Scotland." He counselled the SLRL leadership by letter vetoing their plans for a publicity tour of America but encouraging them in a mysterious "Skye expedition". Perhaps because it entailed "some risk of arrest" the scheme was abandoned leaving George bemoaning the absence of strong leadership in Scotland. This vacuum was filled in October 1884 when George, cabled by the SLRL that a general election was imminent, crossed the Atlantic once more.

Apart from an opening meeting in London, George devoted the whole of his second tour to Scotland. It was an organizational disaster. Edward McHugh, the Irish-born secretary of the SLRL, neglected pre-tour fund raising and advanced publicity. This led to poor audiences and press neglect.

But George persevered with a gruelling tour schedule to score some notable successes. By fraternizing on Skye with some marines of the "occupation" force who had read *Progress and Poverty* George helped highlight the futility of the government's coercive policy. His reputation amongst the crofters as "Henry Seoras" who "caused the great men to tremble throughout Europe and America"

was growing. In the smaller lowland towns by-passed in the Spring he was also well received. "The land question", he wrote to an English friend, "will never go to sleep in Auchtermuchty." Above all the hearty welcome for Michael Davitt amongst the Anglo-Scots at George's London meeting augured well for a future Celtic land reform alliance.

Without the hoped for general election to give political focus to his campaign, George intensified the religious element in his message. His famous Sunday sermon on "Moses" helped reinforce his weekday speeches without offending sabbatarian sentiment. Moses provided an inspiring example George believed of an individual's ability to transform society. The Mosaic Codes, moreover, while clearly divinely inspired, were concerned not merely with access to the afterworld, but with the daily life and condition of the Israelites.

The Jubilee for instance by allowing for periodic land redistribution prevented monopoly. This contrasted markedly George observed with the Scottish Calvinist outlook which regarded suffering as the unchangeable dispensation of Providence and had resulted in clerical inaction during the Clearances.

This scriptural approach while easily grasped by Scottish audiences proved something of a double edged sword. A heckler in Greenock cited Abraham's purchase of land for forty shekels as justifying private property in land. The Tory Northern Chronicle deemed it irreverent for George to "teach the most high a lesson in political economy" and criticised his making capital out of the "religious instincts" of the Highland people.

Parodying his close identification with Moses, the Scotsman urged George to lead the "indigent crofters ... to the promised land at Winnipeg." Despite such mocking, George's Social Gospel was well received amongst the more socially conscious of Scottish clergy including the crofter's champion the Rev. Donald MacCallum of Waternish and it motivated the Rev. Duncan Macgregor of Chicago to establish his Scottish Land League of America.

George's British success was due in no small measure to his speech-making ability. He was, according to George Bernard Shaw, "deliberately and intentionally oratorical" holding his audiences with "a killing gaze in the manner of Athenian orators of old." At the same time his sentences were short and incisive. Consideration of political economy was limited to a few simple principles illustrated with local examples.

Edinburgh citizens were made aware of the £25,000 annual ground rent drawn by the Heriot's Trust and of the financial burdens imposed on them by the grant of parkland to former Lord Provost Warrender. Similarly George urged a Greenock audience to contemplate the municipal problems which could be solved with the £100,000 rent paid to Sir Michael Robert Shaw Stewart. Even opponents paid tribute to George's sincerity on the platform.

Added to this was the apocalyptic strain permeating George's writings and public utterances. In

STARTLING LOSSES

MANY YEARS ago, while working in a West End estate agency, I discussed with my employer the insurance of his house in Hampstead. I suggested that there was no need to cover it for the full purchase price of £50,000 (equal to about a quarter of a million today), because at least half of that must be the site value. Why waste money insuring something which could never be destroyed?

He said I had a point. I then said, having just read *Progress and Poverty*, that if Henry George's system of land value taxation were in operation he would not have had to fork out anything like £50,000 in the first place.

He said: 'Yes, that is an old one!' — and then instructed me to send off the premium. Well, it certainly is an old idea, dating back at least a thousand years, and as Oliver Smedley reminds us in his latest little book *Land**, it is high time those who ought to know, but choose not to, were again prodded into realising the truth contained in his sub-title 'Privately Appropriated Public

By Robert Miller

Property'.

Chapters include the historical background, Henry George's analysis of the problem, the principles of site value taxation, its practice in other countries, and the numerous attempts to get something done about it here.

Being a chartered accountant, the author has obviously found less difficulty than some in producing what he calls a "hypothetical exercise ... for the experts to get their teeth into the meat of the proposition".

The figures, though startling, are valid enough to illustrate beyond reasonable doubt the astronomical amount of income the State continually loses to the private absolute owner of land.

If the Inland Revenue should want to confirm or disprove Mr. Smedley's figures, they have

*Free Trade Anti-Common Market Party, Garden Cottage, Duck St., Wendens Ambo, Saffron Walden, Essex.

readily at hand the well oiled machinery which can tell the Chancellor in double quick time how much he could raise by imposing a tax on, e.g. cats or candy floss.

In his chapter on the 1986 Green Paper *Paying for Local Government*, which recommends the introduction of the Poll Tax, he shoots that idea down in flames in his own sizzling way, and ends by saying it is "well worth reading if only as the strongest possible argument in support of site value rating". Imagine that as a press comment on the jacket of a book!

An interesting point occurs to me in his letter to the Pope which he quotes as an appendix. In the passage concerning "natural resources", the term appears the second time as "national resources". Is this a misprint, a fortuitous reminder that, in the context, the two words are synonymous?

Except for a little piece on immigration, I found the book entertaining, instructive and convincing.

Progress and Poverty he had warned of a time when "the sword will again be mightier than the pen and in carnivals of destruction brute force and wild frenzy will alternate with the lethargy of a declining civilization." Immediate land reform was imperative George argued if such a catastrophe was to be avoided. This sense of urgency and expectation was given substance in the Scotland of 1884 by the Third Reform Act. By enfranchising the crofters amongst others the Act threatened a political revolution in the Highlands with a real possibility of radical land reform to follow.

George's reputation peaked in Britain by the end of 1884 and two years later in America with his Labor candidacy in the New York mayoralty election. His condemnation of the Chicago Anarchists in 1887 lost him considerable socialist support on both sides of the Atlantic. His influence on the radical wing of the Liberal Party, however, proved more enduring. In 1889 he returned briefly to Britain as an informal adviser and field general of the Liberal land reform strategy. The taxation of land values remained high on the Liberal legislative agenda and fueled the Lloyd George People's Budget controversy of 1909.

George was an important transitional figure in the history of transatlantic social reform. His assault on the stagnating science of political economy helped to break down deep-seated antagonism to economic

action by the state. Although the single tax was essentially a piecemeal programme it attracted a wide spectrum of radicals and encouraged the nascent British socialist movement. By shattering working-class illusions about American democracy George also helped initiate a fruitful and often overlooked period of cooperation between American and Scottish labour.

At the same time, George represented the culmination of the mid-nineteenth century humanitarian reform tradition. He drew his inspiration and his insistence on immediate reform from the principles of radical abolitionism. Indeed his campaign was an attempt to extend the moral logic of Garrisonian anti-slavery to the problem of private property in land. His skill in arousing British working-class consciousness was due partly to his membership of the fourth estate and partly to his own struggle for self-education. He was as William Morris noted "a man rising from among the workers." His modesty, sincerity and almost mystical religious conviction impressed all who met him.

Late in life he was interviewed by a reporter from the New York Sun. Charles Dana, the paper's editor refused to print the result. Instead he summoned the reporter to his sanctum telling him, "you sound like Wendell Phillips reporting Saint John the Baptist. I told you to see a Mr. Henry George."

This is a well-researched book by an American professor on the origins of the Common Law of England. It makes an important contribution to the understanding of the civilizing influence of the Common Law, and does much to establish in the reader's mind the flavour of the times in which it originally developed.

The author begins with an assumption that "the Common Law has grown, now rapidly now reluctantly, to keep pace with the changes in the social order from which it is inseparable".

Although by some the Common Law is defined as a body of law based upon custom alone, it "had its roots in the soil of native feudalism, notably the land law and the law of succession".

The discussion on stability and change provokes a realization that life in the middle ages was necessarily very different from that of later centuries. For example, the population of England in the thirteenth century was about two millions, who lived for the most part in rural villages. London itself contained about 50,000 residents, but, whatever may be said on this score, it seems clear that in the context of the times, the Common Law grew up with the consent of the people as individuals, taking into account custom, interpreted and made permanent by recorded judicial decisions.

The book clothes these general inferences with illuminating details. For instance, comparatively soon after Magna Carta (1215) balances in the Royal treasury dropped as low as £2.8s.1d. (£2.40p) on 29th February, 1286.

The details concerning the king's borrowings speak of loans at 120% p.a. interest, and that much of the borrowing was from foreign lenders, because the king could not be sued for debt in English courts, and the charge of usury could not be brought against an alien creditor.

There is interesting detail as to how leaseholds came to be used in support of royal borrowings, and maybe this was the first appearance of leaseholds; although use for the purpose of estate management was a motive later on.

The chapter on "Free Tenures and their Obligations" enlightens

by the statement that when land was more abundant than money, the vassal usually received a "fief" – a grant of land to be held by the tenure of military service or knight service.

The section on "Tenure by Sergeanty", being a grant of land in return for the performance of some special service, contributes to the "flavour" of understanding to which reference has already been made.

As I progressed through the book, I found myself leaving the role of mere reviewer to turn to broader considerations. Previously acquired knowledge and impressions intervened to widen the canvas. It became possible to gain still more enlightenment by considering the role played by statute law.

The book deals in the main with the Common Law and quotes Professor Plucknett as concluding "We are compelled however ... to bear constantly in mind the cardinal fact that our Common Law is custom ..."

Custom, I submit, is a set of rules which results from *personal* assent of the many – unwritten, it is true, but having the fundamental attribute of acceptance and establishment of what was acceptable and desirable, and seen so to be, at the time.

Under it, the much-maligned feudal system operated to ensure that the expenses of government – which, in those days in large part

were represented by national defence and military expeditions – were provided by services of various kinds by land holders.

In short, it was the land of England which provided the expenses of government.

It is to the statute law that we must turn to see how that situation was changed. Understanding is sometimes aided by chronology. For this one should go back, not to Magna Carta but to the Domesday Book.

After the Norman Conquest, the two books called "Domesday" (1086) were compiled at the behest of William the Conqueror. These books gave quite precise detail concerning the land of many of the counties of England. What could be the purpose of this but to provide a record of all land belonging to the king for subsequent enforcement and taxation?

Magna Carta (which the author refers to as "The first Statute of the Realm") seems to have been the response of the landowning Barons and the landowning Church. No doubt many of the fine phrases of that measure record many highly desirable declarations, but I submit that the main purpose was to break the power of the king as supreme landowner.

THE FACT that the revolt was by those holding land of the king, is significant in itself. The Carta was in the form of a declaration of the King (a copy of it is set out in Vol X, Encyclopaedia Britannica, page 1032) and gave enormous power to a committee of 25 Barons and Churchmen by its clause 61.

Such were the fine phrases

Magna Carta and all that

employed, that one hesitates to infer the main motive as an effort by landholders to avoid the obligations then current, and possibly in the future to be imposed through a completed Domesday Book.

But taking all this with the information in the book now under review, and in particular the details of the financial embarrassment of the Kings in 1286 and 1289, it is submitted that the motive is not misrepresented.

Indeed, this is supported by detail in pages 217 and 218 of the book, where there appears the following passage: "During the reign of Henry II" (1154-1188) "the Royal Courts had been concerned to protect seisin of freehold."

Feudalism was still very much alive, tenants by service still contributed heavily to the defense of the realm; the fief was still an economic base for the support of a man-at-arms and his family. But by the reign of Edward 1st much had altered; the outward formalities of tenures failed to conceal the fact that men invested in land as a means of accumulating wealth.

Although feudal forms of tenure persisted, tenures were bought and sold freely in an active market. If this traffic in land were not regulated, it would quickly spawn long chains of tenure and deprive great barons

and magnates of the incidents of feudal tenures.

By statute Edward provided for the substitution of the buyer for the seller in any transfer of lands and prohibited further subinfeudation of land. Thus the Statute of Quia Emptores regulated the buying and selling of land with the intention of preserving to the Barons – and the Crown – the wealth obtainable from wardships marriages and escheats".

From these beginnings the absolute private ownership of land progressed. Already the 1215 version of Magna Carta contained provisions to provide for inheritance for continuity of the family. Gradually the ownership of land became vested in fewer and fewer people. This process was accentuated by the Enclosure Acts later on (there were 4091 such Acts between 1700 and 1844).

The consequence was that by 1932 the land of our country was owned by 2% of its people. This was the situation which was recognised as a social evil from biblical times and the law given to Moses on Mount Sinai provided for a re-distribution every generation of 50 years (Jubilee). "Ye shall not therefore oppress one another" (Leviticus Chapter 25 V17).

By Section 1 of the Law of Property Act 1925 on legal estates

and equitable interests it was declared: "(1) *The only interests or charges in or over land which are capable of subsisting or of being created at law are: (a) an estate in fee simple absolute in possession; (b) a term of years absolute.*"

The words still have legal connotations, but, they are "freehold" and "leasehold" respectively. However this declaration was substantially foreshadowed by the Conveyancing and Law of Property Act 1881 and that was only declaratory of the situation as to land tenure which had grown up over the centuries.

Land monopoly had serious social consequences of which there is monumental evidence still standing. On the one hand there are the huge houses of the landed aristocracy. One of them has 365 rooms. On the other hand there are the workhouses for paupers, some of which still exist.

I read as a child a chant as a pauper funeral passed. It ran:

*"Rattle his bones over the stones,
He's only a pauper who nobody owns!"*

Many of the paupers were able-bodied men who had to crack stones for a night's lodging. The welfare state and the industrial revolution have intervened but the social evil of land monopoly continues to deny to people their just economic inheritance.

◀ From Back Page

thing to lose and nothing to gain from the CAP, yet the losers are diffuse and ill-organised, while those who stand to profit by it constitute a powerful lobby which has the ear of politicians fearful of losing support. Thus the agricultural lobby is able to override everybody else.

There is another point involved. The main beneficiaries are not the poor, struggling European peasants; a striking recent article in *The Independent*³ points out that CAP "heavily favours big and capital-intensive farms against smaller, more labour-intensive, ones".

How is it that these big farmers, a tiny minority of the agricultural interest itself, are able to override not only the consumers but also the more necessitous farmers too?

When I was a Parliamentary candidate in a largely rural English constituency, I found the only people who had time to staff the local NFU were the big farmers, so the "farmers' lobby" is not the lobby of all the farmers, but the lobby of the rich farmers, who succeed in deluding townspeople, including politicians, that they speak for the whole agricultural community.

To be fair, however, the big

farmers are not *absolutely* alone. They have important allies: the fertiliser and agricultural poison ("pesticide") corporations who share both the blame and the profit.

So we return to the substance of the letter from the four organisations. Thanks to the CAP, the consumer is robbed, the taxpayer is plundered, the countryside is devastated of its wild life, the Third World is pushed ever deeper into poverty, and industrial unemployment is made even worse.

How much longer are we all going to put up with this?