I do not propose either to purchase or to confiscate private property in land. The first would be unjust; the second, needless. Let the individuals who now hold it still retain, if they want to, possession of what they are pleased to call their land. Let them continue to call it *their* land. Let them buy and sell, and bequeath, and devise it. We may safely leave them the shell, if we take the kernel. *It is not necessary to confiscate land; it is only necessary to confiscate rent. . . .*

So far we have said nothing about the single tax, the *"impôt unique"* of Quesnay and the Physiocrats, with which the name of Henry George is invariably coupled. "This," says George, "is the secret which would transform the little village into the great city." It is George's contention that the tax on the unearned increment of land rent—the single tax—would suffice to cover the expenses of government, so that all other taxation "which, acting and reacting, now hampers every wheel of exchange and presses upon every form of industry" could be abolished. Thus the onerous burden of taxation would be shifted "from production and exchange to the value or rent of land." And what, says Henry George would result?

Naturally, with the taking of land rent by the community, the selling price of land would fall and land speculation would disappear at the same time. Land would become available not only at the frontier but even within the city limits of the greatest cities of the world. And, continued the thesis, this one stroke would so encourage labor and capital—now comparatively free of taxation—that production would soar. No longer would it be economically feasible to hold land idle or to construct tenements in the place of comfortable homes, and land rent "instead of causing inequality would then promote equality."

Thus we have surveyed the marvelous fabric of the economic world of Henry George. And now we are asked, "What would Henry George say about land value taxation now?" What would he say? What else could he say that he has not already said? He forwarded his thesis, listed the possible objections to it and answered them, and then told the world what would happen if his words were followed. Henry George would, I am certain, issue the same call today that he made during his lifetime; and he would refute his critics in the same manner (6).

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1. *Henry George, Citizen of the World* (Chapel Hill, N.C.: Univ. of North Carolina Press, 1950); *cf.* also Charles Albro Barker, *Henry George* (New York: Oxford Univ. Press, 1955), p. 639.

2. George Henry Soule Jr., *The New Science of Economics* (1964); *ibid., Economics: Measurements, Theories, Case Studies* (1961); and his earlier works, *Introduction to Economic Science* (1948), *Economic Forces in American History* (1952), *Men, Wages and Employment in the Modern U.S. Economy* (1954).

3. Henry George's *Progress and Poverty* is available in the world's leading languages through the Robert Schalkenbach Foundation, 50 East 69th Street, New York, N.Y. 10021, U.S.A., and Land & Liberty Press, London, England, as are George's other major works and the principal commentaries on George's theories.

4. Raymond T. Bye and William W. Hewett, *The Economic Process: Its Principles and Problems* (New York: Apleton-Century-Crofts, 1952); *ibid., Applied Economics* (New York: Knopf, 1928).

5. *Time Magazine*, New York, October 1, 1973.

6. An increasing number of economics is supporting land value taxation. For the modern case for the reform, see Dick Netzer, *Economics of the Property Tax* (Washington, D.C.: The Brookings Institution, 1966).

## IS BRITAIN REPEATING GERMAN INFLATIONARY EXPERIENCE ?

BRITAIN is now accelerating along the road that led Germany to the disastrous hyperinflation of the early twenties. The bitterness of the expropriation of the middle-classes that led to political extremism in Germany could have unpleasant echoes in Britain.

These are points from *The Road to German Inflation: some lessons for Britain*, a study* published recently by Aims for Freedom and Enterprise. It is written by William Wolff, political and diplomatic writer, with the backing of original research into what happened in Germany fifty years ago.

"The German experience of prices soaring by thousands every hour is being dismissed as irrelevant to our predicament in Britain today," he says. "True, we have no reparation debts, no Ruhr or Rheinland and no French troops in occupation.

"But we do have an external debt of around £4,000 million.

Mr. Wolff quotes a prominent German who said in 1922 that Germany had chosen inflation after the 1914-18 war to provide work for four million returning soldiers. "Spurred by the same underlying belief, we are now accelerating down the same road as that along which the Germans once careered."

He recalls the events when in 1923 the wholesale price index soared to 750,000 million, 150 printing firms had 2,000 presses running day and night "like newspapers changing editions", to supply the demand for more banknotes, and barter took over because traders found that whatever prices they charged they did not have enough to buy equivalent new stock.

"The most important lesson of the German experience" says Mr. Wolff, "was that inflation merely postponed unemployment. In the end it multiplied the number of jobless with a vengeance. The trauma of its destructive effects was so deep that to this day the Germans, faced with a choice between inflation and temporary unemployment, prefer unemployment as the lesser and more easily-cured evil."

The presentation of the economic problem as "a straight and inevitable choice between these two evils creates a false antithesis which has fatally and needlessly bedevilled policy making," he says. "Fundamentally the problem is one of linking a sane money policy to a programme for switching resources."

In calling for a Minister for Redeployment and a programme to facilitate the switching of resources, Mr. Wolff seems to dismiss the possibility of the market system being allowed automatically to achieve the necessary switch. Of course, to the extent that more and more of industry is falling into the public domain and thus becoming less sensitive to economic pressures, one might unwillingly concede that he has a point.

* *The Road to German Inflation: some lessons for Britain*, by William Wolff; Aims for Freedom and Enterprise, 5 Plough Place, Fetter Lane, London EC4A 1AN; price 20p.