

The part played by his family was obviously of great importance. The total support of his wife throughout a life where want and fame played such major roles speaks volumes for the personality of the man which inspired it. Desperately in want enough to admit that he might have killed for food at one stage of life, whilst at another feted by crowds of many thousands were contrasts not experienced by many.

Through all the pressures that such extremes must have placed upon Annie George, her support never wavered. Even when his activities threatened to destroy him, during the New York mayoral election campaign, she still refrained from trying to keep him from what he saw as his duty. The man also inspired others beyond his family in the most extraordinary manner. The unqualified support of Father McGlynn, a New York priest of great compassion, who suffered excommunication for his support of

George, is further proof of the greatness of the man and his ideas.

Of course, George is important because of his ideas, but these ideas took time to develop and they grew from his personal experiences, studies and observations. Their development is traced with such a deft touch that the whole forms a comprehensive picture which convincingly portrays a great man. The structure of the book is straightforward and logical, taking us through his life, expanding at the appropriate time into some depth when the momentous events occurred.

These include the writing of *Progress and Poverty*, his travels, especially to Ireland, which resulted from the fame which his book earned for him, the dispute with the Pope and Herbert Spencer and finally his last election campaign for the mayoralty of New York.

This is an interesting, informative book which was a pleasure to read and which I can unreservedly recommend. **ISL**

all eight chapters on what it was that George proposed: a single tax, capturing economic rent as the sole source of fiscal revenue. There are, however, only brief mentions of the concomitant George put first: the abolition of all taxes on labour and industry.

The nine scholars agree, each in his or her own way, that George can and should be honoured for the insights that gave rise to the book's subtitle. The agreement ends, though, when push comes to shove. Some of them flatly disagree with him on his essential theory: that economic rent would satisfy the legitimate needs of government if all wealth, naturally distributed as interest and wages, were left in the hands of those whose rightful property it was. Others avoid discussing it. Dr. Brown and his co-author, Martim O. Smolka warn that in certain cases (in Brazil, for instance, where Prof. Smolka teaches) "imposing a single land tax could hurt rather than help the poor."

Karl E. Case, who incisively considers "Volatility, Speculation and the Efficiency of Land Markets," sees the danger in fluctuating land prices. He cites specifically the 1990-91 recession in New England, calling it "one of the most severe regional downturns in US history." He wonders if the "problem may simply be that we do not have the political will to raise land taxes to levels high enough to really retard boom cycles." But that, of course, is just where push would literally come to shove if George's advice were taken, and if the alternative taxes on labour and industry were abolished, leaving tax collectors without the help of such tranquillizers as withholding and value added.

Dick Netzer, tracing tax practices and trends in the 120 years since George wrote *Progress and Poverty*, opens his chapter by reminding how much closer we were to a single tax in George's day. He notes, too, how many of the taxes which have erupted in those years have settled on labour and industry. He comes closer than do any of the other authors to a discussion of the huge but "legitimate expenditures" of government

## Land Use & Taxation: Applying the Insights of Henry George

H. James Brown, Editor

Cambridge, Massachusetts: Lincoln Institute of Land Policy, \$12.00

Reviewed by RICHARD NOYES

H. JAMES BROWN is more than just the editor of this book. He is also the new president of its publisher, the Lincoln Institute, having taken that post just over a year before the book appeared.

And he is one of nine scholars from varied disciplines who have written eight essays that approach the title from as many directions.

So it is reasonable to search this book for clues as to how the Lincoln Institute will be carrying out the assignment from its benefactor in the years ahead. "The Institute owes its existence to John C. Lincoln's belief in George's ideas and to his explicitly stated wish to teach and expound them," writes Nobel laureate Robert M. Solow as early as

the third sentence of the book's opening chapter.

The congruence is, in fact, clearly developed in the first 26 pages. They include a dedication to David C. Lincoln, the benefactor's son, for 22 years chairman of the Institute from its founding in 1974; an appreciative forward by his daughter, Kathryn J. Lincoln, who succeeds him as chairman; an introduction by the president/editor in which he promises "we will continue to mine this rich intellectual legacy"; and Dr. Solow's chapter, called "How To Treat Intellectual Ancestors", which ends with a summary of the "best way to keep George's ideas alive and effective."

There is general agreement through

these days, and thereby to the question of whether economic rent, in an environment where wealth were left to its creators, would be enough to fund the social contract. The sufficiency he would have us ponder is the amount needed "to finance the enormous interpersonal income transfers that the modern welfare state makes."

There are optimistic notes in the book, but much more awareness of how difficult it is to persuade the public to

accept new taxes on land values.

C. Lowell Harriss, discussing "Ethical Issues in Land Policy", would understandably prefer voluntary compliance to compulsion and coercion, but says nothing about the ethics of redistributing one third of all wealth individually produced.

Joan Youngman, William A. Doebele and Daniel W. Bromley are the other authors on the new editor/president's team. **L&L**

terms equalling the, existing, lowest wage. We want a high-wage economy, but unless you correct the fundamental flaws in the system you won't get it.

Will Hutton wants higher taxation yet Keynes had agreed with Colin Clark in 1945 that tax and public borrowing beyond 25% of the net national product leads inevitably to inflation. We have seen these bursts of inflation over the last fifty years and will experience more in future unless someone heeds the warning. The author goes on to say: "Public goods like education, health and transport cannot be provided without public spending." What he fails to see is that such public spending does not need to come out of taxation. This sort of public spending creates the site values which should be used to pay for it. The new Jubilee line is a case in point. Already land prices have risen by 20 to 30% around the not-yet-opened stations. The line could be paid for out of the values it has created. This is not taxation but the recouping by the community from what the community has built.

Followed to its logical conclusion this source of revenue could raise the level of wages and solve the unemployment problem. If Will Hutton would focus his undoubted talents and sharp insight onto this line of reasoning a revolutionary book might result - to be called, perhaps, *The State to Be?* **L&L**

## The State To Come

Will Hutton

London: Vintage, £4.99

Reviewed by GEOFFREY LEE

THIS FOLLOW-UP to the bestselling *The State We're In* was written in five weeks - and it shows. Breathless, rhetorical and repetitive it lacks the measure and coherence that a more reflective gestation period could have brought forth.

It was published just before the British general election and if the author intended the incoming government to take note of it he will be pleased to see that Labour have removed the tax exemptions from the pension funds as he suggests and dismayed that they have ignored his advice to finance university education by increasing taxation but will instead introduce tuition fees.

One cannot fault Will Hutton's analysis of what is wrong with our society: crime, poor education, unemployment, poverty, low wages for the many and rich pickings for the fat cats.

However, most of his remedies are either suggestions for tinkering with the existing system or major proposals that are unlikely to work. In some cases he is ambiguous about what he is suggesting. He is in favour of the European single currency although none of the experts can agree on whether or not it would be good for Britain or indeed have any idea of what its ultimate effects would be. Yet Will Hutton then

goes on to say that there should be a referendum on the euro. In other words leave the decision to the bemused and baffled public.

He wants a mandatory minimum wage. Yet he knows that in a global economy this will drive the sweat-shop jobs from this country to the third world and put hundreds of thousands of people on the dole. The ripple effect from people already on the proposed minimum wanting their differentials restored will push its way up through the workforce causing inflation and ending up with a minimum wage in real

## GROWTH OUTGROWS ECO-CAPACITY

WASHINGTON DC-based environmentalists calculate that the global economy is outgrowing the earth's ecosystem. According to the Worldwatch Institute, the global economy increased nearly sixfold between 1950 and 1997 on the back of an increasingly stressed ecosystem. World grain stocks have fallen to their lowest level on record: the world is just one bad harvest away from potential chaos, according to the *State of the World 1998* (Earthscan, London, 12.95).

Relying largely on technological solutions, the authors say that the gap between what needs to be done to reverse degradation of the planet and what

actually is being done can be closed. They visualise a sustainable ecology through recycling materials.

L&L disagrees with the emphasis on technology-driven solutions. In the Spring '98 issue, contributors explain how nations can obtain the same level of output - even under current levels of technology - from lower levels of resource use. Fiscal-led reforms would increase productivity.

Nevertheless, in the face of the paucity of reliable information, L&L does commend the Worldwatch Institute's studies as valuable sources for insights into the current environmental crisis.

FRED HARRISON