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Henry George's Impact at Home and Abroad:

He Won the Workers of Marx's Adopted Country But Through Leninism Marxism Has Won Half the World

*By T. H. BONAPARTE**

ABSTRACT. *Henry George*, the American economist and social philosopher, considered it an anomaly that, under modern *industrial* conditions, *progress* and *poverty* should march together. He recognized that the juxtaposition of *wealth* and *want* was a worldwide phenomenon and traced its cause to *monopoly*, particularly the *monopoly of land and natural resources*. Realizing that current *taxes on consumption and production* were disincentives to *capital and labor*, he proposed that governments tax the only true surplus, *economic rent*, through *land value taxation*. This would enable the people to reassert their *common title* to the land—the earth. His message was accorded a more favorable reception abroad than at home. *Karl Marx* wrote *Das Kapital* in England but it was George, not Marx, who appealed to the British workers. Yet it was *Marxism* that swept half the world into *State socialism*, conquering by *political power* and bayonet—Leninism while George's followers pursued the *democratic approach of public education*.

IN THIS ERA of high technology, computers and automation, there is a renewed relevancy to Henry George, the 19th century economist and social philosopher. Although George's zenith of fame was the last quarter of the 19th century when he published, in 1879, his classic, *Progress and Poverty*, his ideas are still alive today. The land question is coming to the forefront in most countries of the world and in many instances, where nations must determine the disposition of valuable resources, his standards are being considered.

In addition, among his ideas which continue to command respect and controversy are those found in his polemic, *Protection or Free Trade*, published in 1886. That work put George in a class with some of the greatest intellects of his century, Frederic Bastiat in France and John Bright and Richard Cobden in England. George's contribution to trade theory was to show that the question was intimately linked with the problems of the inequitable distribution of land and all natural resources, of the maldistribution of wealth, and of the increasing pauperization of manual laborers and working farmers.

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This paper begins with an examination of some of George's fundamental concepts and continues with a discussion of George's impact abroad, particularly in the English-speaking industrialized world. A companion paper will analyze George's views regarding free trade in the context of today's global problems.

I

Some Fundamental Ideas of George

IN *Progress and Poverty* George set forth clearly and forcefully the generalizations about wealth and want revealed to him during his experience in California and New York. George was born in Philadelphia, September 2, 1839, of a poor but respectable religious family. He had very little formal education, leaving school before he was fourteen. At sixteen he shipped as foremast boy on an East Indiaman bound for Melbourne and Calcutta; and at nineteen, a member of the crew of the lighthouse steamer *Shubrick*, he jumped ship at San Francisco.

During the next twenty years in California, he lived, worked, starved, married, and produced children. After a short, unproductive spell of gold prospecting on the Fraser River in Canada, he was successively a printer, typesetter, newspaper reporter, newspaper proprietor, stump speaker for the Democratic Party, unsuccessful political candidate, lecturer, and State Inspector of Gas Meters. As the years passed he became increasingly preoccupied with thoughts about society and social problems, thoughts which eventually resulted in *Progress and Poverty*.¹

George's ideas about the land question began to be crystallized around 1868,² when he published, "What the Railroad Will Bring Us," in the *Overland Monthly*. For the first time he expressed the principle that was to be the foundation of his book: that under modern industrial conditions, progress and poverty march together. He recognized that the juxtaposition of wealth and want was not merely a local or national phenomenon, but was worldwide. He spent the rest of his life preaching this principle, not only in the United States, but abroad as well, particularly in the United Kingdom.

When George visited New York in 1869 he saw the dramatic contrast between wealth and social misery. He later said that he was struck as if by a divine command from heaven:

Years ago I came to this city from the West, unknown, knowing nobody, and I saw and recognized for the first time the shocking contrast between monstrous wealth and debasing want, and here I made a vow from which I have never faltered, to seek out and remedy, if I could, the cause that condemned little children to lead such a life as you know them to lead in the squalid districts.³

George had another insight which led him to take a further step in finalizing his program. While traveling through a land-boom area in California, he stopped

to ask a passing teamster what land was worth in the neighborhood. The teamster, "pointed to some cows grazing off so far that they looked like mice, and said: 'I don't know exactly, but there is a man over there who will sell some land for a thousand dollars an acre.' Like a flash it came upon me that there was the reason of advancing poverty with advancing wealth. With the growth of population, land grows in value, and the men who must work it must pay more for the privilege. I turned back, amidst quiet thought, to the perception that then came to me and has been with me ever since."⁴

By this experience, George had acquired three of the ideas upon which his book and his life's mission were to be based: the interrelation of progress and poverty, the worldwide nature of the problem—with land monopoly as the cause. To complete his program he needed a solution which came to him eight years before he finished his book. He stated, "when our 40,000,000 people have to raise \$800,000,000 per year for public purposes, we cannot have any difficulty in discovering the remedy in the adjustment of taxation," that is, a "tax upon the value of land."⁵

In *Progress and Poverty* George showed that, in the modern world, the depths of poverty were to be found side by side with the greatest commercial and industrial progress. He said that the source of all wealth was land, and that the inequalities in wealth which "progress" fostered were caused by a monopoly of the land by the few. Such a condition was more than unfortunate, it was unjust, for the land belonged to all the people by natural right. The people should reassert their title, taken from them in the past by the rapacious ancestors of the present landlords. They should recover their natural title, not by dividing up the land physically, but by the imposition of a tax equivalent to the total annual value of the land. Landlords were to receive no compensation for the virtual expropriation of their property.

In its simplest form, this was the basic message in *Progress and Poverty*; but the problem of delivering this message to the world remained. Unfortunately, his message was not at first taken seriously, especially by economists. He was one of a long succession of economists—including Adam Smith, Malthus, the two Mills, Ricardo, Chalmers, Sidgwick, and Marx—with no formal training in the discipline. It was his misfortune to launch his theory just as economics was becoming a specialized profession, as signaled by the founding of the American Economic Association in 1885⁶ by scholars, many of whom had done postgraduate study in Germany. Those who presumed to write on economic theory or deliver speeches on topics related to economics, who did not have degrees in the field, were labeled as amateurs by the academic community. George's reaction to the coolness elicited by his ideas in these circles was scarcely calculated to dispel it. It was perhaps understandable and inevitable that this self-taught social reformer, who believed with passionate sincerity in the unassailability of his logic

and the imperative necessity of his social program, should impute motives of intellectual cowardice to his scholarly detractors.⁷

But there were many noted economists who supported him and his "theory." For example, Joseph Schumpeter, to mention but one economist of distinction, said:

He was a self-taught economist, but he was an economist. In the course of his life, he acquired most of the knowledge and the ability to handle an economic argument that he could have acquired by academic training as it then was. In this he differed to his advantage from most men who proffered panaceas. Barring his panacea (the single tax) and the phraseology connected with it, he was a very orthodox economist and extremely conservative as to methods.⁸

The remedy that George proposed to end poverty was such a simplistic scheme that it contributed to consigning his writings to near oblivion in economic circles. The full single tax on urban land values is not a serious fiscal proposal today, if only because there are no political prospects for its adoption anywhere on a national scale. But George's central principle, that the incidence of taxation should bear on the value of land and natural resources rather than upon productive enterprises and improvements, remains a lively issue of fiscal reform. Under the general title of "land-value taxation" this principle has received wide application in such forms as taxation of the land at a higher rate than the improvements; full or partial exemption of improvements, the lost revenue being made up by an increased levy on the land; a surtax on absentee land-ownership; and, in the effort to reduce speculation, a high rate of tax on the profits derived from land sales. Such practices are common in Australia and New Zealand, with scattered local applications to be found in Western Canada, the Republic of South Africa, and other countries.⁹ Denmark provides generous exemptions on improvements, offsetting this by both a higher rate on the land and a national tax on the increment of land values.

In the United States the common practice is to include a tax on land as a component of the general property tax, which otherwise bears most heavily on improvements, and to tax the profit from land sales and land rentals in the income tax. Beyond this there are a few "single tax" enclaves in Delaware, New Jersey, Alabama, Hawaii, California, and Pittsburgh and Scranton and five other cities in Pennsylvania. What is typically sought by land-value taxers today is a modest advance along Georgist lines, such as the enactment of local option laws, which would enable municipalities to free from taxation some or all of the value of improvements by transferring the tax to the unimproved value of the land.

II

Land Value Taxation Abroad

TO SOME EXTENT, George's message was accorded a more favorable reception abroad than in the United States. It should be noted that George was not the

first to propose the single tax as a remedy for existing social ills, Samuel Milliken in his "Forerunners of Henry George," traces anticipators of George's single tax as far back as Dio Chrysostom (50–117 A.D.) and painstakingly delineates single tax advocates through history.¹⁰ Thomas Malthus' early writings in 1808 and 1809 in the *Edinburgh Review* plainly suggest that the single tax on land values was a remedy for Irish poverty.¹¹

Some seventy years later George was to refer to Ireland in his quest for the single tax. He suggested legislation for dealing with the poverty of this country; methods closely resembling Malthus'. In 1879, the same year George finished *Progress and Poverty*, Irish discontent had erupted into revolt. In 1881 he published the *Irish Land Question*. Throughout this short work he saw Ireland as an extension of an overriding moral dilemma that faced the civilized world—namely, the proliferation of "progress and poverty" due to the private ownership of land. Thus the "Irish question" was actually a much broader global issue. "The Irish Land System, which is so much talked of as though it were some peculiarly atrocious system, is essentially the same land system which prevails in all civilized countries . . . the truth is that the Irish land system is simply the general system of modern civilization."¹²

George spent a great deal of time delivering his message in Ireland, Scotland, and Britain. He proposed nothing less than a union of Irish, Scottish, and English workers to drive landlordism out of the British Isles. George argued that the Irish cause could be advanced most effectively by carrying the land agitation to Great Britain. "Both England and Scotland are ripe for such agitation, and, once fairly begun, it can have but one result—the victory of the popular cause."¹³

In the mid-1880s George and his doctrines swept excitedly through Great Britain. Even if his influence were limited to the 1880s when, on five separate visits, he carried his message from Plymouth to the Isle of Skye, George would deserve a place of honor in British political history. But more than that, from 1889 on, his land-tax proposals were an essential part of practical British politics and became major planks in the Liberal and Labour parties' platforms. It was not until 1934, when Philip Snowden's land tax was repealed, that George's doctrines ceased to trouble conservative landowners.¹⁴

Henry George, not Karl Marx, was the catalyst for Britain's insurgent proletariat. The Webbs acknowledged his influence. They credited the rise of the Socialist Party to supremacy in the Trade Union Congress of 1893 to "the wide circulation in Britain of Henry George's *Progress and Poverty*." The "optimistic and aggressive tone" of *Progress and Poverty*, according to the Webbs, and the popularization of George's theory of rent, "sounded the dominant note alike of the new unionism and of the British Socialist movement."¹⁵ The British working-class movement ceased its passivity and took on vigorous life with its recognition of George as someone with something to say.¹⁶

George's popularity in Britain and Ireland resulted from the enormous success of *Progress and Poverty*. Max Beer claimed a "circulation of about 100,000 copies sold in the United Kingdom."¹⁷ George met little opposition from audiences and from civic groups. At only two meetings was there any organized disorder, at Oxford University and at Peterhead, Scotland.

We know that Alfred Marshall was against George's theory from the uproar at the Oxford University meeting—Marshall asked him to prove that landlordism was responsible for poverty and George merely replied that there was poverty in the country. Arnold Toynbee, in two lectures delivered in London in January 1883, warned against George's influence. George's book was banned as a text at the City of London College; he had no friends among the Conservatives, and the Socialists parted ways with him whenever it was convenient to their cause.

But, we also know that George Bernard Shaw, Lloyd George, Churchill, and Lord Asquith were supportive of the movement which George had done so much to generate. As Lawrence writes:

The true measure of George [in Great Britain] is found in the effect of his crusade against suffering in the minds and the hearts of the British people. His great accomplishment was to describe sincerely and eloquently the conditions under which the worker lived, and to convince large numbers of persons that they could help themselves by resolute action.¹⁸

George's campaigns in Great Britain and the United States won adherents in several other areas, among them, Australia, New Zealand, Denmark, Sweden, Hungary, France, Spain, Hawaii, Jamaica, Argentina, the Dominican Republic, India, South Africa, Taiwan, and Japan, China, and Canada. Many of these adherents were very supportive of George's *principles* but were unsuccessful in obtaining passage of legislation to put these principles into practice. For example, in *Great Britain*, some would call George's influence a failure because neither he nor his followers were able to implement his ideas. But, short of complete success, George's influence did produce two concrete results: It wrote the land tax into the program of both the Liberal and the Labour parties, and it was the immediate cause of the Parliament Bill of 1911.¹⁹

India, however, was taxing land long before George. The land tax was based on its location in proximity to sources of water and it was proposed by Kautilya, a counselor and advisor to King Chandragupta of Northern India, around 300 B.C.²⁰ India has used a tax on land, called "Land Revenue," for over 200 years.²¹

Australia has experimented with the land tax on three levels of government. The federal rates were applied to the "total value of land held by one individual anywhere in the Commonwealth."²² The aims of this tax were "to dismember the great estates and to encourage widespread ownership of land."²³ This tax, criticized by land taxers as not heavy enough, was abolished in 1952 as the revenue yield and the supposed "social benefits" became less important.²⁴

All states except Tasmania now tax property on the basis of unimproved capital value; that is, site value. Until 1975-76 the land tax for the state of Tasmania was based on the unimproved land value.²⁵ This changed with the Land and Income Tax Act of 1976. Tasmania now taxes on the improved capital value of land. Because of the exemptions and low rates, the state land tax is usually considered not fiscally important.²⁶ Nevertheless, the local real estate taxes are a genuine attempt to capture economic rents.²⁷

Mary Edwards used multivariate regression analysis in her recent paper on "Site Value Taxation in Australia." She found strong evidence that, where improvements are relieved of taxation and more revenues are obtained from land values, the average value of housing is significantly higher and the value of the housing stock substantially larger. She concluded that, "if a new or reformed tax system is administered honestly, efficiently, and equitably, then a site value tax will result in a more rapid pace of development." Further research and, undoubtedly, additional data are needed to determine the effect of a site value tax on land speculation, on the one hand, and land availability to lower income groups, on the other.²⁸

George and the Non-English Speaking World

It is interesting to note that Henry George's modest triumphs of implementation abroad have occurred almost exclusively in English-speaking and Scandinavian lands. This has been the case for at least two reasons: the need to have a strong industrial base to support "progressive" economic development; and the need to have long traditions of responsible self-government. One could not realistically be very sanguine as to its chances for successful application in such countries as Haiti, Nicaragua, Liberia, Bolivia, or even Honduras.

One of George's critics, Father Juan Alcazar Alvarez, a priest in Spain, wrote in 1917, a 383-page tome against Henry George. Alcazar posed a problem that could be quite real for the application of Georgist devices in many countries where conceptions of public probity are not of high order. He pointed out in the *Estudio Filosofico* that assessors and tax collectors could be bribed by land-owners to adjust their fiscal impositions in proportion to subornations received.²⁹ It is not surprising that such an idea would occur to a writer in the Hispanic world. As George himself readily conceded, his system is not a panacea. No more than any other social theory can it succeed apart from supportive attitudes and uncorrupted institutions.³⁰ But the publication of land value maps and of land value assessments induces public policing of the assessment system.

To George, governments must be honest, with high moral and ethical conviction. "Justice" was a key word, so was "equality" and "freedom." That is

why George attributed the miseries of India and China to the rapaciousness of governments, and especially condemns the exorbitant land and salt-taxes imposed by England upon the poverty-stricken producers of India.³¹ In this context, because of a greater degree of political instability in the third world, it will be extremely difficult to see George's views implemented in countries where landlords control the politics. And, as a result of Marxism his views will not be acceptable in the "second world" (the communist bloc).

To some, the "Catholic world" has been traditionally opposed to George. The truth is that the reaction to George has been mixed. The negative side probably dates to Father Alcazar, who wrote under the authorization of the bishop and ecclesiastic governor of Madrid-Alcala. It was a reflection of the fear in some circles that George's proposals constituted a threat to the promises by the Church of ultimate salvation from despair. One of George's staunchest supporters in New York City, especially among the Irish population, was Father Edward McGlynn. Because of his support for George, Father McGlynn was excommunicated in 1887, but in an unusual reversal of its act, the Holy See removed the excommunication in 1892 and restored Father McGlynn to his priestly functions.³² We know that Archbishop Michael Corrigan of New York, an ally of a corrupt political machine, Tammany Hall, had some influence on the papal condemnation, but there is evidence that Catholic opposition to George went far beyond the circles of Archbishop Corrigan. Other high prelates of the Church spoke out strongly against George, and though not actually placing *Progress and Poverty* on the Index, the Holy Office did rule it to be "worthy of condemnation," which meant that any bishop could rule it to be prohibited reading for Catholics within his jurisdiction.³³ This position was reversed by the Second Vatican Council, which ruled that the church had no expertise on technical economic questions.

On the positive side, George received very warm support from the Catholic clergy in Ireland and from a few Latin American priests, in particular Don Carlos Duarte Costa, Bishop of Rio de Janeiro, Brazil, who said about *Progress and Poverty*, "After the Gospel, this is the book that I love and admire the most. It does not surprise me to learn that, after the Bible, it is the most widely published book in all the world. I think I do not offend God when I say that *Progress and Poverty* plays in the material realm the same role that the gospel unfolds in the spiritual world."³⁴

III

George and Marxism

FROM THE SPIRITUAL WORLD, we travel to the world of Socialism or Communism, or Marxism. Within less than two years of its publication, *Progress and Poverty*

was a runaway best seller, and its author's name, an international household word. By contrast, the only volume of *Das Kapital* that appeared in Marx's lifetime was scarcely noticed. In Russia, especially, George's ideas had quickened the thought of social students and reformers long before those of Marx gained any appreciable following. Yet, today, George is relatively forgotten, while half the world calls itself Marxist.³⁵

Like George, Marx had no formal training in economics, was fundamentally self-educated, but was a compulsive and omnivorous reader. Most of Marx's early years were spent in coffee houses rather than in lecture halls, and when he finally took his degree it was from a university where he had never been in residence and that did not require its external students to undergo prolonged examination.³⁶ Yet even among those who do not count themselves his disciples, Marx bears the reputation of a learned sage, while George is thought of as a talented amateur.³⁷

The greatest alienation, said Marx, manifested itself within societies where capital was concentrating in ever-larger aggregations, and it was within these that members of the proletariat would develop the solidarity and class consciousness which would equip them to effect the most dramatic socioeconomic changes. Henry George, by contrast, held that it was rather in societies where there was a concentration of land ownership that such changes would occur.³⁸ George was obviously the better prophet. Where the Marxist ideology has successfully reinforced revolution—from Russia and China to Cuba and Vietnam—these social transformations have been in peasant societies heavily or totally dependent upon agrarian economies. And the major non-Marxist upheavals of the 20th century, beginning with Mexico, have also been in land-based peasant societies.³⁹

Marxism is today more “successful” around the world than Georgism because of one important factor—political action. One derives some satisfaction from knowing that Henry George was considered an important economic theorist in fifteen or sixteen countries around the world. One would be more gratified if his followers had been more effective in translating his ideas into political reality.

In 1917 the Leninist Marxists seized power by a terrorist coup in Russia and soon after transformed it into the Union of Soviet Socialist Republics. One cannot help but reflect that the success of Marxists in attracting the support of millions of followers, and in threatening the rest of the world with ultimate subjugation, results as much from their political strength backed by the bomb and the bayonet, as from any logic or reason in their philosophy. Marxism operates from a bastion of totalitarian political power. Georgism does not.

When one thinks of the logic of Georgism versus the logic of Marxism and the larger number of people around the world supporting Georgism in 1917,

the odds were on Georgism to sweep the world instead of Marxism. That it did not materialize may be attributed in large measure to a singular inattention to political action on the part of the Georgists. Political Georgism died when Tom Johnson left office as mayor of Cleveland in 1909.⁴⁰ Even Henry George himself, though he ran twice for mayor of New York, tended to reject political involvement and to prefer less boisterous speaking and writing activities. As John L. Thomas, in *Alternative America*, points out, "George's followers continued to reject politics and even lobbying and pressure groups and as a consequence struck no very deep popular roots."⁴¹ It was appropriate that Henry M. Hyndman, who had been both friend and socialist opponent of Henry George, said shortly after George's death, "He has died in a chivalrous attempt to accomplish the impossible without even organizing his forces for the struggle."⁴²

IV

George's Followers Are Few, His Influence Wide

TODAY, ALMOST A CENTURY after the death of Henry George (and a third of a century years since the publication of *Land Value Taxation Around the World*),⁴³ we find fewer Georgists organized for the struggle, although there has been an increase in the number of countries adopting land value taxation; and therefore, an increase in the number of different approaches used by governments to solve their economic difficulties.

For example, in *Taiwan*, land is taxed, but also buildings—which are taxed separately. Valuation of buildings is made by a special staff who utilize processes which are distinctly different from those used in valuing land. The tax rates are not the same. The tax rates, where they apply, are not subject to local control but are governed by principles which apply to the whole country. The actual burdens on land differ according to rules which are unusual. The revenues are divided among levels of government somewhat differently. The separation of taxes on land from those on improvements appears to operate successfully. Dr. Sun Yat-sen, founder of the Republic of China, considered land problems to be of crucial importance. Landlord-tenant relations in agriculture were of special concern to him. His writings before the Revolution of 1911, and his thoughts as he developed them later, seem to have followed those of Henry George. The present-day system in *Taiwan* is patterned after the principles he expounded.

The four provinces of the Republic of *South Africa* have varied approaches to property tax and valuation. In the Cape Province, land is valued at replacement cost. The improvements are taxed and all farm land is valued, plus any improvements. In Natal, a similar situation exists, except that farm land outside the area

of jurisdiction of the local authority is not valued or rated. In Durban, the land is valued by the valuation department and the improvements by the city engineer's department, at replacement cost. Both land and improvements are rated in Natal. The Orange Free State rates land and improvements—improvements are valued at replacement cost. Johannesburg is the only city in the world which has never levied a property tax on improvements. George's theories are implemented in South Africa despite the fact that the vast majority of the population—Blacks and Coloreds—are not allowed to *own* any land in White areas, which are most of the country.

The rates in the *United Kingdom* are essentially a tax on the occupier of the property, and have always been levied on the occupier, ever since 1601. All transactions in land and buildings in the U.K. have, as one of the underlying characteristics, the fact that the tenant will bear the cost of these rates. The rate varies from year to year at the resolution of the district council, that is, of the elected representatives of the local jurisdiction. The commercial or industrial rate payer is entitled to deduct his rates as a working expense before computing the taxable amount liable to Income and Corporate Tax. The residential rate payer does not have this privilege. The rates, therefore, in some cases can place a very harsh burden on residential occupiers; so much so that in recent years, legislation has been passed to reduce the impact in relation to low-income earners.

In the U.K., in 1962, a tax was introduced on profits on land, where these profits have been made in a very short time. In 1967 the Leasehold Reform Act was passed by Parliament. It enabled leaseholders of long leases of domestic property to require their landlords to sell them the freehold at half value. This Act dealt a blow to landlords and the big estates. In 1975 and 1976 the Community Land Act and the Development Land Tax Act were passed. The broad principles of the twin Acts is to acquire development values in land and to municipalize land values. These Acts are still in operation today, and they relate to the implementation of the strict code of planning control.

In the third world, the Caribbean nations of *Jamaica* and *Barbados*, have used Georgist theories of land value taxation in slightly different ways. *Jamaica*'s 2.1 million people inhabit an area of about 4,400 square miles—which is basically agricultural in nature. A mountain ridge runs down the middle of the island, so that the country is considerably more densely populated than the gross figures on land relative to population would indicate.⁴⁴ Moreover, most of the agricultural holdings are small, but the relatively few large properties account for a large fraction of total land. Since the population is increasing at just under 2 percent per annum, it is understandable that *Jamaica* is concerned with efficient land

use. Nor is it only agricultural land that is of concern—Kingston, the capital of Jamaica, has all the problems of any urban area.

Jamaica has recently been engaged in an important effort in land taxation. The country has changed the basis of its property tax from improved value, that is, the value of land and buildings, to unimproved value, the value of land alone. The change was accomplished in the agricultural areas of the country by the early 1960s, but since the 1970s the remaining areas have been placed on the new land value basis also.

In Jamaica the tax change was not merely a switch from one base to another. Associated with the substitution of unimproved value for improved value as the base of tax, there has been a complete revaluation of properties. Consequently, relative tax burdens have changed both because of the change in tax base and because of the revaluation of all properties as of a common date. Jamaica's experiment is difficult to evaluate because of the depressed land market in the last several years (affected by recent political actions), and the fact that very little has been published on the results of the tax change. Also, it is likely that a number of important effects will emerge only in the long-run.⁴⁵

In *Barbados* the tax was viewed as a way of charging for government services, while in Jamaica there developed over time an emphasis on taxing property as a way of reaching taxable capacity. In Barbados it was considered a tax based on benefit; in Jamaica it was regarded as a tax based on ability-to-pay. When Barbados proclaimed the unimproved valuation roll as the basis for property tax, a rate of 1 percent was established, applicable to all properties.

Barbadians explain their choice of property tax design in comparison with Jamaica by noting that: (1) The distribution of income and wealth is less unequal in Barbados than in Jamaica; (2) Almost everyone owns land in Barbados; and (3) Paying tax on the land you own is a status symbol.⁴⁶ Tom Adams, the current Prime Minister of Barbados, and his government ministers are more satisfied with their program of site valuation than they would be with a valuation on improvements. They believe good improvement valuations would require considerably more resources than they have available at present.

Although, for obvious reasons, it is more difficult to implement George's ideas in the developing world (in such countries as the Sudan, Mali, and Chad, for example), it should not be taken for granted that all of its countries are immune to George. The Arab bloc of the OPEC countries, for example, represent a strong case for the importance of land value taxation. The demand for oil today has given fabulous valuation to Arab lands. Once the demand for oil is replaced by a demand for another commodity (or, as in the present situation, the demand is not as great as the 1970s) the land values of the OPEC countries will plunge. It is, therefore, communal demand and need that give rise to land

values (rent). We cannot generalize on the inability to implement George's ideas solely on the basis of per capita income or growth rates. Also, where there is a heavy influx of multinational corporations, such as in South Korea, Hong Kong, and Singapore, Japan, Mexico, Brazil, and Argentina, the value of land is greater in urban centers and there is even more reason to implement George's concept. The point is that the need to use land is universal. Almost as obvious is the fact that nature rather than owners created the land. In point of fact, these are two elements of similarity in countries which differ widely in most other respects.

There are also some dissimilarities we should accept in the developing world which are obstacles to the implementation of George's ideas. For example, in Latin America, the Marxists are very strong. In offering a dogmatic and irreconcilable approach to social transformation, the Marxists exercise a veto power over other alternatives. Theirs is the only effective message. This is particularly true in Argentina, Chile, Colombia, Uruguay, Nicaragua, El Salvador, and the Dominican Republic. Therefore, the first problem of the Georgists in Latin America is to find the people who can carry their message over the screams and shouting of the Marxist terrorist-revolutionaries.

Also, except for Argentina and the Dominican Republic, and despite all the clamor for land reform, almost no one in Latin America has ever heard of the ideas of George. Until his death in 1982, Mauricio Birabent led the Social Agrarian Party of Argentina, which espoused doctrines based on single-tax ideas. Today, a distinguished Argentine architect, Juan Carlos Zucotti, represents the same point of view and has important contacts among journalists and followers in Argentina, but he is in exile in the United States. Dr. Hector R. Sandler is an Argentine Georgist on the faculty of the Universidad Autonoma de Mejico and directs an Argentine newspaper called *Democracia* through his son in Argentina. In the Dominican Republic a new movement has appeared. According to James Busey, a participant in the International Union for Land Value Taxation and Free Trade Conference in England, the Henry George School in the Dominican Republic, under the direction of Lucy de Silfa has, since 1966, graduated over 9,000 students, many of whom are influential in public affairs today.⁴⁷

Busey points out another obstacle in Latin America which may be characteristic of most developing countries:

An effective single-tax system requires equitable assessment procedures, freedom from coercion by owners of the land, impartial preparation of tax notices, collection which is impervious to threats, bribes or other pressures, and finally that the money itself go into the public treasury, not into the private accounts of individual officials.⁴⁸

In Latin America, Africa, and other developing areas, there is also the obstacle of preconditions for a viable tax system. In most of these countries there is no

such thing as a property tax. How does one introduce scientific assessment of land values only, to a country that has never heard of a property tax? Individuals in government have little assurance of continuity in office, much less the educational preparation needed to perform such a specialized role as that of tax assessor, collector, or auditor who controls accounts. In countries like Ghana, Dominican Republic, Kenya, Ivory Coast, Nigeria, Venezuela, Costa Rica, Brazil, Argentina, and others, there is a cadre of government officers concerned with the situation, but, because of political instability, their tenure is not long enough to develop and monitor any sort of long-range tax program.

Moreover, Fred Harrison, in *Land Reform or Red Revolution*, points to the role of land monopoly in third world countries largely dependent on agriculture, in keeping down wages among both agrarian and industrial workers.⁴⁹ Furthermore, land monopoly has created a special class of extremely wealthy, powerful, nonproductive individuals who play dominant roles in developing countries.

In Argentina some 6 percent of the total number of properties contain over 1000 hectares (2470 acres) each and cover about 75 percent of the total cultivable land of the country. In Brazil less than 1 percent of farm properties have over 1000 hectares each, but occupy 40 percent of the cultivable land. In Chile 1.3 percent of properties have over 1000 hectares and occupy 72.7 percent of the land; in Peru 0.3 percent of such properties cover 60 percent of the land; in Uruguay, 5.2 percent on 58 percent of the land; and in Venezuela, 1.3 percent on 72 percent.⁵⁰ The point is that a tiny minority not only pockets the economic rent produced by a whole nation, but also controls most of the socioeconomic and political power.

Consequently, the best remedy to break the poverty cycle in developing countries is to collect for public use the unearned values arising from land ownership, without disturbing possession or use of the land by its present owners. The prescription is that instead of paying taxes to the State and rent to the landlords, one should pay rent to the State and no taxes.

In theory, this is the solution for the third world, but in reality, we have Marxism, corruption, ill-preparedness of trained officials, political instability, and a tradition of land monopoly which restricts progress and harbors poverty. It may be useful for these countries to use Costa Rica and the Dominican Republic as examples. Particularly the Dominican Republic, where many influential people understand Georgist proposals and where a number of very dedicated and competent individuals, some of them under Georgist influence, may be found at various levels of government.

Notes

1. Elwood P. Lawrence, *Henry George in the British Isles* (East Lansing: Michigan State Univ. Press, 1957), 4.

2. For a detailed account of the connection between George's newspaper experience in California and the beginning of his thinking about the land question, see Charles A. Barker's *Henry George* (New York: Oxford Univ. Press, 1955).
3. From his acceptance of the New York mayoralty nomination in 1866.
4. Henry George, Jr., *The Life of Henry George* (New York: Robert Schalkenbach Foundation, 1943), p. 210.
5. *Ibid.*, p. 225.
6. It is noteworthy that the American Economic Association devoted a session of its annual meeting in Atlanta, Georgia, on December 30, 1979, to celebrate the centenary of the publication of *Progress and Poverty*.
7. Robert V. Andelson, ed., *Critics of Henry George* (Rutherford, NJ: Fairleigh Dickinson Univ. Press, 1979), p. 15.
8. Joseph A. Schumpeter, *History of Economic Analysis*, ed. Elizabeth Boody Schumpeter (New York: Oxford Univ. Press, 1954), p. 865.
9. See H. G. Brown, *et al.*, eds., *Land Value Taxation Around the World* (New York: Robert Schalkenbach Foundation, 1955).
10. Samuel Milliken, "Forerunners of Henry George" in *The Single Tax Year Book*, Joseph Dana Miller, ed. (New York: Single Tax Review Publishing Co., 1917), p. 331.
11. Michael A. MacDowell, "Malthus and George on the Irish Question," *American Journal of Economics and Sociology* (October, 1977), p. 401.
12. Henry George, *The Land Question* (New York: Robert Schalkenbach Foundation, 1953), p. 8-10.
13. *Ibid.*, pp. 62-63.
14. Lawrence, *op. cit.*, p. 3.
15. Sidney and Beatrice Webb, *The History of Trade Unionism* (London: Longmans Green and Company, 1950), pp. 374-76.
16. Lawrence, *op. cit.*, p. 3.
17. Max Beer, *A History of British Socialism*, Vol. 2 (London: E. Allen and Unwin, 1948), pp. 242-43.
18. Lawrence, *op. cit.*, p. 191.
19. *Ibid.*
20. Nasayan Chandra Bandyopadhyaya, *Kautilya* (Calcutta: R. Cambray & Co., 1927), pp. 144-50.
21. I. S. Gulati and V. N. Kothari, "Land Tax and Incentive For Better Land Use," *Artba-Vikas* 5 (July 1969), pp. 108-116.
22. George E. Lent, "The Taxation of Land Value," *International Monetary Fund Staff Papers* 14 (1967), pp. 88-121.
23. R. M. Bird, "A National Tax on the Unimproved Value of Land: The Australian Experience 1910-1952," *National Tax Journal* 13 (December 1960), 386-392.
24. *Ibid.*
25. *Tasmanian Yearbook*, 1982, p. 79.
26. Lent, *op. cit.*, p. 92.
27. Harold M. Groves, "Taxation in Australia and New Zealand," *National Tax Journal* 2 (March 1949), pp. 1-11.
28. Mary E. Edwards, "Site Value Taxation in Australia: Where Land is Taxed More and Improvements Less, Average Housing Values and Stocks Are Higher," *American Journal of Economics and Sociology*, Vol. 43, No. 4 (October 1984), p. 494.
29. Juan Alcazar Alvarez, *Estudio Filosofico critico del libro "Progreso y miseria" de Henry*

George, en sus cuestiones fundamentales y el alivio social (Madrid: Perlado, Paez y Compania, 1917), pp. 173-174.

30. James L. Busey, "Alcazar's Most Voluminous of All Assaults," in R. V. Andelson, ed., *Critics of Henry George* (Rutherford, NJ: Fairleigh Dickinson Press, 1979), p. 331.
31. Henry George, *Progress and Poverty*, p. 118.
32. George Raymond Geiger, *Philosophy of Henry George* (New York: The Macmillan Company, 1933), pp. 353-56.
33. Charles Albro Barker, *Henry George* (New York: Oxford Univ. Press, 1955), pp. 489-90.
34. Busey, *op. cit.*, p. 338.
35. Andelson, *op. cit.*, p. 389.
36. Robert Payne, *Marx* (New York: Simon & Schuster, 1968), p. 81.
37. Andelson, *op. cit.*, p. 390.
38. George, *Progress and Poverty*, p. 327.
39. Andelson, *op. cit.*, p. 218.
40. Barker, *op. cit.*, p. 633.
41. John L. Thomas, *Alternative America* (Cambridge: Belknap Press of Harvard Univ. Press, 1983), p. 356.
42. Edward J. Rose, *Henry George* (New York: Twayne Publishers, 1968), p. 153.
43. See *Land-Value Taxation Around the World* (New York: Robert Schalkenbach Foundation, 1955).
44. See John MacPherson, *Caribbean Lands* (London: Longmans, Green and Co., 1964). The proportion of unproductive land is high, about 42 percent. Part of the reason lies in the "mountainous nature of the country—half of which lies above 1,000 feet—the steep, rocky slopes and the large tracks of poor thin soil." p. 31. In addition, "over large areas, forests have been cut for lumber, burned for charcoal and cleared for cultivation, thus exposing the land to rapid tropical weathering" pp. 38-39.
45. Daniel M. Holland, "Jamaica and Barbados," in R. M. Lindholm, ed., *Property Tax Reform: Foreign and United States Experience with Site Value Taxation*, Lincoln Institute Monograph #77-11 (December 1977), pp. 61-62.
46. *Ibid.*, p. 80.
47. James Busey, "Prospects for Social Transformation of Latin America," *International Union for Land Value Taxation and Free Trade Conference*, Cambridge, U.K., August 1984, p. 34.
48. *Ibid.*, p. 37.
49. Fred Harrison, *Land Reform or Red Revolution* (London: Economic and Social Science Research Association, 1980), p. 5.
50. James W. Wilke and Stephen Haber, eds., *Statistical Abstract of Latin America*, Latin American Center Publications, University of California at Los Angeles, Table 502 (1984), p. 56.

Interdisciplinary Team Plans Irrigation Project

AN INTERDISCIPLINARY TEAM recruited by the Asian Development Bank in Manila will make a comprehensive feasibility study for an irrigation system covering 3,920 hectares in the Hill Region of Nepal, where a majority of Nepal's population lives. It will cover the technical, agricultural, socioeconomic, financial and institutional aspects of the system. It is the bank's third project in the region.