

Tax Exemption: Not Just for a Few

by Fred Harrison

Most of the reasons why the advocates of the philosophy of Henry George have failed in their mission over the past 100 years have been beyond anyone's control. But there is one constraint on activity that is self-inflicted, which is why the Georgist movement will fail to maximize its potential for so long as some of its leading advocates continue to operate with one hand willingly tied behind their backs.

There is an irony in this constraint that would have caused Henry George to suffer apoplexy. Many Georgist organizations have compromised on their freedom to campaign for reform by accepting charity status. The state gives them a special privilege: tax exemption. In return, the beneficiaries of this exemption are told that they cannot behave in an overtly political manner. In particular, they

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cannot take sides in favor of any activists or organizations that have declared their intention to alter some fundamental aspect of the political system.

This is a trap that has uniquely ironical qualities

for Georgists. For we want everyone to enjoy the benefits of tax exemption. But by accepting this deal for our richly endowed institutions we find ourselves compromised and unable to devote the funds and manpower to their best effect on behalf of everyone in the community.

Those funds were donated in the main by people who want the law changed in favour of tax exemption for everyone. And yet the funds have been administered on a basis in which the original intentions of the donors has been betrayed. The institutions that enjoyed the special tax privileges found themselves hiring people and developing policies that were designed to protect the cash-accumulating functions at the expense of the campaigning qualities.

Has the time come for the trustees of those organizations to search their consciences?

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