

THOMAS SHEARMAN— Georgist or Infiltrator?
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One hundred and twenty years after Progress and Poverty first appeared, conventional economists remain very much aware of it, although as academics they rarely mention it unless they must.

There they have a difficulty, for the book became an immediate best seller and influenced the political parties worldwide. The Fabians and Bernard Shaw were attracted to it but, not fully comprehending it, had, as Shaw remarked, to leave George behind because of his seeming reaction against unionism, against the then prospering co-operative movement and, above all, against interest. On all these, George's wordings differed radically from that of the general public and today there are foundations that promote both the book itself and the independent study of its principles. Even so, the book's minor flaws still make it difficult to gain continued support.

To me, it seems that we Georgists have two needs, one being to rigorously investigate and remedy these flaws and the other being to look in detail at the similarities between ourselves and the supporters of those alternative lines of approach and in particular with the similarity of our thought to that of our now admittedly major competitor—the Marxism that directly or indirectly is so freely propagated within the academic world.

Shearman was a successful corporation lawyer in New York. A little younger than George and with a reputation for generous charity, it is notable that his clientele included types like Jay Gould, the financial buccaneer whom he had successfully defended against the Senate's probably well justified charges of corruption. Shearman was a man who "knew his way around." In 1884 and aged about forty, he introduced himself to George by letter and was welcomed for his ability as a lawyer, for his contacts and for his money.

While at every stage George's aim was that no site rent whatsoever shall be left with the landholders, Shearman took the chair at the movement's first big conference. There, the New York Times reported George as "disconsolately tailing the Noes" when they crossed the floor to vote against Shearman's motions that the movement be called The Single Tax and then that practical work should start at the municipal level. George may simply have had an off day, but the appearance is of him seeming to be timified by Shearman - who perhaps took a "courtroom" attitude towards him. The name never satisfied George and afterwards he called it "the Single Tax LIMITED".

If Shearman was genuine - clearly he was astute—why did he not warn his new friend and the organization that it would take at least ten years and a cartload of gold to get permissive legislation from some state or another and then a similar outlay of money and effort to have one of the municipal councils take the first hesitant step.

Soon afterwards, with George overseas on a lecture tour,

Shearman ran a series of articles in The Standard stating that a substantial segment of the site rent would need to stay with the landholders so as to permit the continuation of the "land price" on which to make the assessments. This was despite his own calculation that this would probably amount to 35% of the site rent.

Almost instantly the Central Single Tax club of Cleveland protested against what they saw as a sullying of George's magnificent concept that no site rent whatsoever should remain in private hands. On getting back, George inexplicably printed a blistering attack on the Clevelanders and made no mention of Shearman's clear disregard of principle!

Something similar happened ten years later - this time recorded by the eminent Louis Post - when Shearman removed two important planks from the platform. One was that natural monopolies such as public transport should be publicly operated. The other, despite Shearman having met at least half the cost of George's book, Protection or Free Trade, was - Free Trade! So was the cash really Shearman's or did it come from some "faceless clients"? Likewise, without funding from such folk, just how did he survive financially during the twenty or more years that he headed the movement?

Whatever the answers, the movement's subsequent troubles can clearly be seen as emanating from that man's push to for enough site rent to be left in the landholders' pockets to let land price continue. The decline might have come more quickly had there not already been decades of pressure in Australia and New Zealand for the municipal revenues to be charged against land price exclusive of improvements. Behind all this history, some of it wonderful, some pathetic, it is that while the landholders knew in detail how to manipulate the legislature, very few Georgists paid attention to technicalities.

Although George did not see it in clarity, land-price is a capitalizing of future, expected retained site rent, i.e., the "natural" site rent. Obviously, he had his own doubts for in both speech and writing he many times affirmed that the practicalities would eventually need to be solved by others. Unfortunately, they weren't, for in 1925, it was only the Commonwealth Land Party, under J.W. Graham Peace that took notice when the impracticality of the land-price approach, demonstrated by F.T. Hodgkiss, the then editor of Progress, whose impeccable figures showed that every increase in the tax would diminish the selling prices and thus shrink the revenue flow! Long misled by Shearman's work, the rest of the movement remained blind to the logic!

Thus our need today is to so educate the public that an irresistible demand will arise for the public collection of the natural site rent. For this, we have to show the revenue as covering the cost of the facilities provided through the labour of our public servants and contractors plus the governmental outlays on pensions and similar social services. (continued on page 7)

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Ascertaining the proper figure for each holding will be quite easy. Simply show the estimated amounts on large-scale subdivisional maps and keep these on general display. Public opinion will quickly rectify errors and widespread approval will follow. It will be intellectually and commercially elegant, but will need to be reinforced by a complete revision of the arguments and wordings that arose because of Shearman's misleading approach. A rigorous and imaginative review will readily overcome the "ignore" by the conventional economists and whatever shortcomings their proposals may contain.

That way, the movement will be able to proclaim what Dr. McGlynn saw - but could never get George to see - that every cent of the government's natural revenue must be fully collected by government and otherwise the benefits from such things as Free Trade will continue to be creamed off by the landholders and their industrial and monetary hangers-on. We ourselves must see how vital it is that no fraction whatever of the site rent shall be left with the landholders.

It is essential, so that "Georgism" may forge ahead, that we ourselves should ensure that the arguments, words and phrases that we have been using for so long should now be revised. It is only through persistent educational work on our part that practical Georgist legislation will ever be enacted. Summarising now on Shearman, it seems beyond doubt that it was his influence that twisted the movement away from the lovely beauty of George's central thought that no fraction whatsoever of the site rent should ever be privately retained.

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