

PACE UNIVERSITY LEFT FORUM PANEL (from pg. 9)

then as well, the problem is that LVT has been so little applied as to fall below the inflection point where land prices are negatively impacted by the tax. This is not a fault of Henry George, but of either his followers to fully implement his philosophy, or of political realities, or both. As Hudson points out (emphasis in the original) "The theory of rent and its implications for land taxation is more radical than Marx's labor theory of value." In the back and forth emails that ensued among a list of nearly 80 Georgists during this debate, Hudson finally exasperatingly bemoaned "Haven't any of you read Henry George?"

This writer, along with many other Georgists, also worry that too many Georgists have become a "lobby for the construction industry," as Hudson phrased it, but that is not what George had in mind. Whether this 2-rate tax is a limited form of Georgism done for temporary political expediency or is simply exploiting modern Georgist support while mainly (or only) supporting the developer lobby, is something that is hotly debated by the neo-Georgist community. In fairness, those who have been most successful in getting the 2-rate system adopted point out that neither Hudson nor George ever implemented actual land value taxation anywhere in their lifetimes.

Continuing in his lecture, Hudson said that whatever the past, today, "the European Socialists are to the right of the Georgists." This just goes to show how slippery and unreliable mere labels are. They can be used to confuse as well as enlighten.

Getting back to the larger theory, Hudson pointed out that we are living in something Marx never predicted, because he was an "optimist," and that is how much rent would be collected by the landowners, who are now mostly the banks. Hudson cited Fannie Mae and Freddie Mac, which allow up to 43% of the worker's income to go towards their mortgage; this is a form of extreme land rent given over to private parties, and a good bit beyond the historical rent-as-1/3-of-GDP tipping point that Mazzone had earlier warned could lead to social unrest, though half of this is perhaps for the house (Yet, this is not the only source of rent collected either).

Hudson went on to say that whatever the conflicts between capitalist and laborers, it is surrounded by the rentier economy, where rent itself, including monopoly rent, is "technologically unnecessary." This is why, Hudson says, Marx thought rent would disappear eventually. The die-hard communists in the audience might not like to have heard it, but Marx was wrong.

In his presentation, Hudson brought in his own experiences of having George's teachings suppressed when he was teaching at the New School in New York City in 1959. He says he was told not to "confuse people" when talking about how workers are exploited by adding in the taking of rent. The New School, of course, is a school originally set up by Marxists.

But perhaps the best guidance can again be found in Hudson's own writing: "The guiding principle here should be just what Henry George insisted on: the principle of economic justice.

He sought to create a level playing field - within the context of freedom and capitalism."

And this is why I invited Hudson to participate —indeed lead panel discussions the last two years at the Left Forum.

Not because he praises the ideals of latter-day Georgists (Hudson also points out that the phrase "Georgist" did not even come into being until the mid-twentieth century; before that, there were simply "Single Taxers"), but because he praises, and advocates, the highest ideals of Henry George. For some reason, he chose to impugn George with the actions of some of his perhaps misguided, or perhaps simply less effective, later followers. Should we then hold Jesus responsible for the Inquisition, the crusades, and other intolerant acts of more modern "Christians?" Perhaps Hudson is right that modern Georgists have been the enemy of Socialism, but the history of Socialism itself, if indeed it is more theoretically sound than Georgism to begin with (not something I or most Georgists believe), has its own roster of failures from Lenin to the mass murderer, Stalin, a fact that Hudson himself acknowledged during Q&A by acknowledging that Marxism was taken over by Stalinists. To those who would say Stalin is not a true Socialist (or even Communist), well, let us equally discount those who say they are true Georgists, but whose actions belie their stated ideals as well (I have a list of such people myself, as do others, I'm sure). These false Georgists do far more harm to the movement than do other progressives pushing other social justice themes, to whom George may or may not have given proper weight. Internecine fighting is the main enemy of all social movements, much more so than their identified opponents. Progressive reformists' self-destruction, rather than destruction by outsiders, is much more frequent and less attended to; perhaps it is too gratifying to "rage against the machine." It's important to get the theory right, yes, but it's at least as important to pick your battles and to coalesce against a common adversary, in this case, the rentier class. Too much energy is spent, in my opinion, on getting Henry George's theory perfectly right, past and present, while 99% of the public says, "Henry who?"

Common Ground-NYC member and former Director of the Henry George School, and now instructor at the New York Institute of Technology, Cay Hehner, had the unenviable task of speaking next, after Hudson had stirred the pot to the boiling point.

Hehner began by citing an article that showed how hedge funds have been buying up depressed properties and land throughout the "recovery" since 2009, thereby driving the prices up and creating a new land bubble (some of them are even now, flipping those properties, perhaps anticipating the next crash. This is further confirmed by the latest Fannie Mae National Housing Survey, which showed an accelerating trend of those who say it is a good time to sell housing vs. a good time to buy, though the latter category is still less (40%) than the former (76%); a year ago the results were 72% good time to buy and just 16% good time to sell). (cont'd on pg. 11)