

Tenth International Conference on Land-Value Taxation and Free Trade

A CONFERENCE location in a bright city that has risen anew from the ashes of World War II—a reception at City Hall—a message of good wishes from Germany's President Heuss—attendance by about 100 people from 13 countries—these were some of the features of the international conference at Hanover, West Germany from July 25th to 31st.

This was the first conference of the International Union on Land-Value Taxation and Free Trade that did not have the benefit of the late Arthur Madsen's presence and planning, but his successors did an admirably good job. Why was it held in Germany? For one thing, to help make the movement truly international by moving to different countries, and for another, to help revive the Georgist movement in Germany which had once been strong under Adolf Damaschke but which had been dead since 1933.

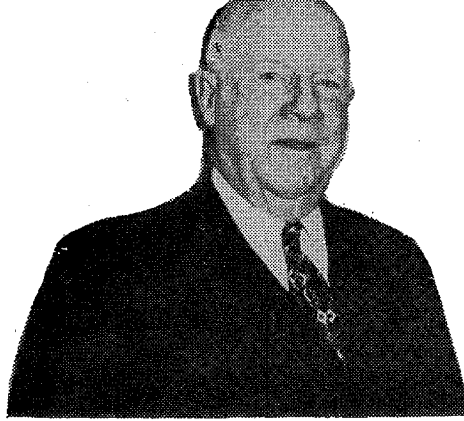
One potent instrument toward the revival of the movement in Germany was the *Progress and Poverty (Fortschritt und Armut)*, translated from the English condensed edition, by Erich Zincke of Hanover, and published by Econ-Ferlag, Düsseldorf, with the assistance of the Robert Schalkenbach Foundation, which made its debut at this conference. Bound copies were presented to the Mayor of Hanover and to the director of the Hanover Public Library by Miss V. G. Peterson of the Foundation, and they were received graciously. She was told the library had only two copies of *Progress and Poverty*, both old editions, and both very much worn by many readings.

Although only about 15 German Georgists were present, they held a sub-conference to discuss what kind of Georgist revival might be undertaken in Germany. The Henry George School of New York plans to translate correspondence course lessons into German and advertise its free course in Fundamental Economics in leading German newspapers.

Besides the Germans, the conference was attended by 11 from The Netherlands, 2 each from Canada, France and Austria, one each from Australia, Norway, Sweden, Spain and Israel, and sizeable delegations from Britain, the U.S.A. and Denmark.

The conference formally opened on Saturday evening at the Maschsee Restaurant, an attractive spot by the side of a pretty, artificial lake. Ashley Mitchell presided, and tribute was paid to the late president of the International Union, Judge F. A. W. Lucas of South Africa. His paper—in effect, his testament—"The Challenge of World Problems" was read. It appears in shortened form on page one.

A new president, Joseph S. Thompson of San Francisco, was unanimously elected and acclaimed by all. On the following morning he read a paper by J. Rupert Mason, president emeritus, also of San Francisco, on "Irrigation and Land Values in California." The California irrigation districts tax land values and use the income to maintain the irrigation project. The plan has been attacked in the courts again and again by landowners and speculators, and Mr. Mason has appeared in court in defense of the



Joseph S. Thompson, president of the International Union, is the author of an abridgment of *Progress and Poverty* for businessmen. He is president of the board of directors of the Henry George School in San Francisco and is honorary chairman of the Federal Pacific Electric Company. He is also a popular member of the Commonwealth Club, and will be remembered by all conference visitors as an entertaining speaker.

districts, said Mr. Thompson, more times than any other person on record outside of titled legal persons. So far the irrigation law has stood.

At the same session, Ashley Mitchell gave a stirring address on "Trade Barriers — Protestations and Performances." Freedom of exchange, he asserted, is one of the two sides to the Georgist philosophy, the other being freedom of production. He concluded with an appeal to us to continue working for full free trade and individual liberty, saying that our time may be nearer than we think.

The Henry George Schools

The Sunday afternoon session was given over to reports from Henry George Schools. The following directors were present: from the U.S.A., Robert Clancy (New York), M. S. Lurio (Boston), Robert D. Benton (Detroit), Sidney S. Evans (San Diego); from Canada, Strehel Walton (Montreal); from Great Britain, V. H. Blundell (London), R. J. Rennie

(Glasgow), and J. L. Geddes (Dundee); from Spain, J. Paluzie-Borrell (Barcelona). Representing the school in Australia was E. P. Middleton (Sydney).

Mr. Blundell reported 15 branches in Great Britain, and said the number of graduates has steadily increased since 1947. Week-end schools are held twice a year, usually at a country resort, with good attendance and stimulating discussions on economic subjects.

Mr. Clancy told of the 20 U.S. extensions of which 13 have full-time directors and 7 are on a voluntary basis. Besides New York, 4 extensions own their own building—Newark, Los Angeles, San Diego and Philadelphia—this last occupies the birthplace of Henry George which also serves as a museum. The work is expanding and public recognition is increasing. The greatest potential lies in the correspondence courses which are offered all over the world, not only in English, but also in French and Spanish. Now that there is a German *Progress and Poverty*, work will be done in that language. The French and Spanish efforts have been successful enough to exhaust all available copies of *Progress and Poverty* in those languages, and new editions are being planned. Italian and Dutch editions of the book are still in print, and courses will be planned for them, too.

Miss Walton of Montreal was pleased to report that French Canadians were now taking an increased interest in the courses. In Toronto the director is Harry E. Pollard, formerly with the London Henry George School. He has included a course in public speaking with *Progress and Poverty* as the text! He is now organizing the alumni to take a more active part.

Mr. Middleton spoke of the Henry George Foundation and the magazine,

Progress, published in Melbourne, where a group is ready to promote school activities. In Sydney, home of The Standard, property outside the city has been willed to the Henry George Union for a proposed Georgist center. E. J. Standring's work in Perth, Western Australia was mentioned, also the advances in New Zealand.

On Monday morning P. R. Stubbing, editor of Land & Liberty, the London monthly publication, reported on Georgist organizations in Britain, which include the United Committee for Land Value Taxation, and Land Values Leagues in various cities. The Free Trade Union has recently been revived after a period of decline, so there can be more concentration on land value taxation.

S. Sevenster brought word of the movement in The Netherlands, which centered around the journal *Ons Erfdeel* (Our Heritage), edited by his father, A. Sevenster, who was also present. He said there has been a continuing debate in Parliament as to whether the government should sell the reclaimed lands on the *Zuider Zee* or retain them and rent them out. So far the latter practice has prevailed, though the arguments on both sides have not been on the basis of principle. Georgists, he believed, must continue to teach the principles on which a sound policy could be based.

J. Paluzie-Borrell spoke for Spain. There is an active Henry George School in Barcelona, and much individual effort. One of the associates, Jose Anglada, recently won first prize in an essay contest on fiscal reform sponsored by the Royal Academy of Political and Social Sciences of Madrid.

Observations on the government in the U.S.A. were made by a number of American delegates. Sidney Evans told of new Henry George School headquarters in San Diego and a new director, Robert Andelson. Rob-

ert Benton spoke of the election of S. James Clarkson to the Michigan State Legislature, where he has already introduced two bills designed to promote land value taxation. Claire Menninger reported for the Chicago Henry George School now celebrating its 25th anniversary. This fall begins the 13th year of the Commerce and Industry program, the latest development of which is a television program introducing economics.

Judge Max Korshak of Chicago wound up this session with a sprightly talk which he titled, "The Camel Gets his Head in the Tent." After pointing up the absurdity of most taxes, and citing the fact that most "temporary" taxes not only become permanent but grow in size, he concluded with this moral, "never permit a camel to stick his head under your tent."

On Monday afternoon, Miss V. G. Peterson presented "Pathways to Land Reform," which will be covered in a subsequent issue, and Robert Clancy gave "The Story of the Georgist Movement" (see page 11).

Student Speakers

Three short papers were presented by young students of the London Henry George School. A. Haviland-Nye offered "Amalgamations and Take-over Bids," a study of the processes of the free market. In a truly free economy, we need not fear "bigness" and amalgamations, he said, for they would only be successful if they were beneficial. It is the monopoly of natural resources that prevents efficiency.

Shirley-Anne Sanderson, speaking of "The Metaphysical Import of Henry George's Ideas," said metaphysics is "the science which deals with the nature and relation of things," and George's philosophy bears upon that. "Land value taxation recognizes the unity of the

earth. . . . It establishes the true nature of consciousness as one."

John Kemp challengingly presented "The Challenge of Socialism." Socialism, he said, has won men's minds because it offers the promise of solving our economic problems by democratic governmental action. He illustrated this premise by showing how increasingly incompetent and arbitrary governments become when they try to regulate the economy by parliamentary procedure. Let the government stay within its proper sphere and leave the economy free!

These three young people were hailed as a promising sign of Georgist progress.

Success in Denmark

The Tuesday sessions were concerned mostly with Germany and Denmark, and with free trade.

Viggo Starcke, leader of the Georgist Justice party in Denmark, explained the present Danish governmental set-up—a coalition between Social Democrats, Radicals and Justice party. Though the Justice party has only 9 members in a Parliament of 175, it holds the balance of power. The Justice party also holds 3 cabinet positions—minister of internal affairs, minister of fisheries and minister without portfolio (this last Dr. Starcke, himself). While it has had to compromise, it has also succeeded in making gains, such as reducing controls, preventing further devaluation of the currency, and increasing land value taxation.

When the present government was formed in 1957, newspapers predicted disaster. Instead, production rose, unemployment and emigration dwindled, international trade increased and building construction rose.

The Justice party is now proposing to lift rent controls. To forestall a sudden rise in speculative rents, it is

arranged that there be an increment tax on ground rent, in addition to the basic tax. Taxes on buildings will eventually be abolished. Though there are dangers in coalition, still substantial gains have been made toward Georgist goals in Denmark, and more progress is in sight.

Martin Pfannschmidt (Paderborn, West Germany) extended greetings from: the President of the German Republic, Theodor Heuss; the President-elect, Heinrich Lübke; the Housing Minister, Dr. Seiff; the Minister of Taxes, Dr. Gast; the Finance Ministers of Baden, Württemberg and Saarland; the German Cooperative Union; the Farmers Union; the Union of Taxpayers; and the Union of Free Market Economy.

He then pointed out the inadequacies of present German policies with respect to housing, typical of welfare states everywhere—a cumbersome mixture of private enterprise and governmental subsidies, controls and taxes. Present regulations make it difficult to apply land value taxation and exemption of buildings, he said. This reform however, is the only way to successfully embody the housing industry into the free market economy.

Erich Zincke next offered his "Personal Report" of collaboration with Arthur Madsen in translating the condensed version of *Progress and Poverty* into German. "I did not want to use the secret language of university economists," he said, "so I learned their jargon so as to avoid it! My aim was to make the book understandable to the man in the street, as was Henry George's aim. Do what you will to *Progress and Poverty*, you cannot reform it!"

The Georgist story for Austria was related by Philipp Knab of Vienna. There was a Physiocratic influence in the 18th century under Josef II who introduced a land tax, which was opposed by the nobles

and the clergy. The land tax endured through "the Golden Age of Vienna." Since then, other taxes have multiplied. At present there is a small Union of Land Reformers with Josef Schwarzl as president. Recently, the separate assessment of land and buildings was achieved. There was a provision for land value taxation in the same bill, but it was crossed out.

More Free Trade

Two papers on free trade were presented on Tuesday afternoon. S. W. Alexander of London, in his talk, "Trade Blight over Europe," said that England's abandonment of free trade was the greatest disaster of the modern world. Free trade should be campaigned for today more than ever before. It must be argued from an economic base. Each issue should be fought as it comes up, and the free trade argument must

be made so strong that the press and radio cannot ignore it.

Practising what he preaches, Mr. Alexander has been editor-owner of the City Press (London's Wall Street Journal) for 8 years. In that time, the circulation has increased 20 times. Editorially, he is concentrating on free trade.

The other free trade economist was Sven Rydenfelt of Sweden, who spoke on "Free Ways to Free Trade." He criticized the European trade blocs now being formed as not being progress toward free trade but rather enlarged customs unions. The six O.E.E.C. countries formed their trade bloc, and there have since been feverish attempts on the part of excluded countries to form rival blocs. The basic flaw in all these plans is governmental interference with free trade. The only way to attain free trade is simply to allow it to be—free.



Visitors from 13 countries at the Tenth International Conference, Hanover, Germany.

At a reception in the Hanover City Hall on Tuesday evening, delegates were welcomed by Vice-Bürgermeister Otto Barchle, who pointed out that Georgist principles were written into Article 155 of the Weimar constitution. "So we are familiar with your principles," he affirmed, "and we think the work you are doing is for the good of Germany."

Conference events were reported in Hanover's two newspapers, the *Presse* and the *Allgemeine*. One bit of news that found its way into print was that Robert Benton's calling card had 10 condensed lessons in economics printed on the reverse side. One headline reported that the conference discussed everything from Pharaoh's dream to free trade. This referred to Dr. Starcke's talk on Wednesday morning, "Pharaoh had a Dream." Later four group discussions took place simultaneously on the following subjects:

"Abolish all Taxation" with Pavlos Giannelias (France) as leader. The necessity of abolishing other taxes with increased land value taxation was stressed.

"Economic Rights and Constitutional Reform," with Frank Dupuis (London). Political instrumentalities toward achieving economic reforms were examined, and it was agreed that proportional representation and the referendum would be effective democratic means.

"Propaganda," with J. J. Pot (Netherlands) as chairman. These methods were proposed: inexpensive literature widely distributed; letters to editors, especially to far-away newspapers; tabulation on how many letters were printed and how many rejected.

"Sound Money," led by Robert Benton (Detroit), was animated but not conclusive. There was no agreement on a definition of money, and

this would seem to be the first step to further pursuance of the subject.

After the strenuous first half of the conference, visitors enjoyed a well-deserved afternoon of relaxation by taking a bus excursion to the Hartz mountains and having dinner at a restaurant in the woods.

On Thursday morning, Agnar Christensen reported on "Georgist Youth in Denmark." There are about 400 members of Danish Georgist Youth Organizations who hold meetings, arrange talks and discussions, and follow the issues of the Justice party.

J. J. Pot gave his views on "Fundamentals" and first principles. The basic division in social science is between man and the universe. Man is endowed with free choice, reason and liberty. This means he is responsible for his actions. What happens when there is more than one person? The same principle holds. Each person must have equal liberty and responsibility. That for which a man is responsible (his product) is his rightful property. No man can own what he did not produce—the land. It is the state's part to see that the liberties and responsibilities of all individuals are maintained.

Victor Saldji asked, "Is *Progress and Poverty* Outdated?" and pointed out that the principles are as true as they ever were, but that people sometimes get the wrong impression from outdated references. It was the aim of the condensed version of *Progress and Poverty* to overcome this by eliminating certain difficult and easily-misunderstood passages, while still presenting the full argument. The condensed edition is being used in the London Henry George School with good results.

Thursday afternoon, Gabriel Sampfer (Grenoble, France) brought greetings from French Georgists, mentioning especially Max Toubeau and A. Daudé-Bancel, who could not

attend. Terre et Liberté is the chief Georgist effort in France today, and it is supported largely by the co-operatives of which Mr. Daudé-Bancel is a leader. He spoke of the new Georgist-cooperative novel, *On a tué M. Systeme* (reviewed in July HGN).

On a Thursday evening bus tour of Hanover the guide was Mr. Zincke whom we had come to regard as our host. He was familiar with government policies regarding the rebuilding of Hanover, as well as the points of interest.

Glenn Hoover (City Councilman, Oakland, California) discussed "The First Step in Land Value Taxation" at the Friday morning session. This first step is "the process of determining the annual tax that is to be imposed on the unimproved value of each piece of land." Professor Hoover pointed out that North America has a long history of land value taxation, and that the United States probably collects more ground rent than Denmark, Australia or any other country to which we usually point with pride. It does this through the general property or real estate tax which may collect more than 25 per cent of the rent of land. The system does work, he emphasized, in spite of poor assessment procedures and the fact that houses are also taxed.

Dr. Bernard Ascher (Register of Lands, Haifa, Israel) contributed to this discussion a detailed paper on "The Building-Land Aatio." Look for this in a forthcoming issue.

On Friday afternoon varied ques-

tions were thrown out to the audience for their response, such as: Should patents be abolished? (Most said yes, but some felt that a limited patent would help protect the inventor.) What is the effect of tariffs on wages and interest? (They depress them. Free trade would raise them in the short run, but in the long run, rent would swallow the gain.) Does land speculation cause inflation? (All agree that it does.)

The final session on Friday afternoon was a business meeting. Reports from the treasurer and secretary of the International Union were read and approved, and officers were elected. The Declaration of Principles and Policy was reaffirmed. A new resolution on free trade was passed, to be transmitted to the United Nations. It was further reasoned that: "As land value is the only economic value created solely by the presence and activities of the people as a whole, it should be the first source of all public revenue."

But all was not quite over yet. Dinner was more festive than usual and at this last meeting there was mingled gladness and regret. Brief but stirring farewell speeches were made after the dinner. Music and dancing graced the closing hours.

And on the morrow all was over. Each went to his appointed rounds—but all was not quite the same as before. A little extra richness was carried away by all—and, as the French say, we left a piece of our hearts behind.

—R.C.