



To the Editor:

J. Bracken Lee has been advocating abolishment of the income tax, as reported in the August HGN. While this might conceivably eventually be in order, it seems to me that if we who believe in George's social-economic philosophy are going to get far we must stop scattering our fire and concentrate on the keystone, which, as Henry George saw it, is special privilege, or the private capitalization of natural resources. To this we must add its full blood brother, the private capitalization of our medium of exchange values in the market place—that which we commonly refer to as money.

Overlooking for the moment the great favoritism shown in the income tax, and the tremendous loopholes provided for the favored few, the simple truth is that we cannot now get a clear picture of the income tax as it would exist in an economy from which all special privilege had been eradicated.

In Henry George's *Social Problems*, Chapter XVII, "The Functions of

Government," we find the author's sound statements on the issuance of money. Compare his idea with what we have today and what do we find? The most advanced nation in the world, technologically and scientifically, capable of producing abundantly, is rapidly borrowing itself down the road to bankruptcy. The reason for this paradox cannot be explained merely by the private capitalization of natural resources—we must also include its good man-Friday and willing-handmaiden the private banker issuance and capitalization of our money. As George stated clearly, this "hybrid currency . . . though guaranteed by the General (Federal) Government, is issued (not to the consumers who need it) and made profitable to corporations"—the special interests who are robbing our people of both natural resources and money.

Land reform without monetary reform would produce a rat race between taxation and hybrid currency issuance. On the other hand, if we got monetary reform without the land usage tax reform, we would be following the methods of labor unionists who strive to keep wages on the level with prices, but succeed only in making conditions more difficult for those who are under union wage scales.

George was so comprehensive and all-expansive in writing of the devastating consequences of the private capitalization of natural resources, that his readers are apt to get sleepy before they get through and find out that George was awake to the money evil as well as the land evil.

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