

the Henry George News

PUBLISHED BY HENRY GEORGE SCHOOL OF SOCIAL SCIENCE • DECEMBER, 1958

S. James Clarkson **New Michigan Legislator**

"**W**E MUST carry our message to the people," said Judge John R. Fuchs of Texas in a message to the recent conference of the Henry George Foundation in Pittsburgh. "The most effective way is to get men who believe in our cause and our principles to run for legislative offices; municipal, state and federal. Time and time again they will be defeated, but the defeats are not personal ones, for this is a cause which has for its end the improvement of social conditions—the very preservation of our country."

Judge Fuchs, a sterling Georgist, author of *Constructive Taxation for Free Enterprise*, who has been advocating the Henry George tax reform for 50 years, will be happy to know that S. James Clarkson, a 33-year old lawyer, was elected as the Democratic State Representative from the 4th District, Michigan, after a number of defeats, which he took gallantly.

Mr. Clarkson has taught in the Detroit Henry George School for several terms and has frequently addressed groups in and around Detroit on the subject of land value taxation. He is active in a number of legal, fraternal, civic and political organizations, and is the re-

cipient of the Silver Star Medal, among other citations resulting from service with the 26th Infantry Division in World War II.

A need for progressive legislation as it pertains to mental health, flood control, unemployment, the St. Lawrence Seaway Port, and the problem of the uninsured motorist, figured largely in his campaign platform. He opposes the corporate profits tax and state income tax, and believes the income tax hits people of the average income for 85 per cent of its return but conversely thinks it wrong to tax the rich to benefit others.

He took as an insult a remark by a friend that "they'll take you in the huddle up there and you'll go right along with them."



A Word With You

THE resurgence of Asia is one of the most striking phenomena of modern times. This largest of continents, slumbering for centuries, has suddenly come to life with astonishing force. The Arab world is in ferment—new wine bursting old bottles. China, under the influence of Marxism and Russia, is undergoing an explosion of effort and industrial transformation, kicking aside 5,000 years of tradition. India, having been under the influence of Britain as well as Gandhi, is less violent in modernizing, but just as determined.

The contributions of the Western World—science and technology, political ideologies, and productive power—have impressed Asia profoundly, and she is going all out to apply them (with results not entirely to the West's liking, it must be admitted, especially in the realm of politics).

Has the West, then, triumphed? Is all the ancient lore and wisdom of the East to give way before the impact of the machine age?

Before we dismiss Eastern culture, let us bear in mind that Asia is the mother of the religions that most men still live by—Hinduism, Buddhism, Taoism, Mohammedanism, Judaism, Christianity. The West is really paying back an ancient debt.

The preoccupation of the Orient in the past has been with spiritual concerns—the Occident, more restless and striving, has placed greater emphasis on progress and achievement. Thinkers in the two worlds have recognized the importance of both, and have sought a syncretism of the divergent outlooks.

One has only to read the literature of the Orient to see how much more adept in the ways of the soul is the

East than the West—how much more canny as to the bypaths and hidden reaches of the mind—how much more resilient to "the thousand natural shocks that flesh is heir to." But the fatal weakness of the East was its neglect of the affairs of the world, the poverty of the masses, the gross inequalities and the indifference to stagnation and suffering. Now with a rush after its timeless dreaming—all too hastily—it is running after the things of this world, and its spiritual heritage is in danger of being destroyed.

The West has developed tremendous productive power, transportation and communication, scientific prowess, the comforts and conveniences of life—but its spiritual development is woefully lagging. The prevalence of mental illness and nervous breakdowns; the wasting of countless lives on the pursuit of material gain with no real aim in life; the failure to deal soundly with elementary human and social problems; and the frantic clutching at straws of religious consolation—all point up the spiritual poverty of the West. With its underdeveloped soul, the Western world is in a fair way of wiping out itself and all its progress to boot.

The wisdom of the East and the progress of the West—both are needed if man is to be saved.

—Robert Clancy

Vol. 22, No. 1

December, 1958

The Henry George News is published monthly by the Henry George School of Social Science, 50 E. 69th Street, New York 21, N. Y. Publication Committee: Lancaster M. Greene, Chairman; Otto K. Dorn, William S. O'Connor; Alice Elizabeth Davis, Editor. Subscriptions, \$2 a year; single copies, 20c. Second Class postage paid at New York, N. Y.

Pittsburgh Welcomed Georgists

by JOHN C. WEAVER

THE conference of the Henry George Foundation of America held at Pittsburgh November 24-26 seemed to mark a transition point in Georgist history. It was the nineteenth conference arranged by this Foundation since its beginning in 1926. The conferences were annual until 1941 and were the chief inspirational reunions among followers of George. Then this function began to be served by annual meetings under auspices of the Henry George School. But after a long period of relative inactivity on the legislative and political front, there came the movement for extending the Pittsburgh "Graded-Tax" idea to other cities of Pennsylvania, and this, together with reports of hopeful efforts elsewhere, provided a basis for Foundation conferences in 1949, 1951, and the present year.

Of course there has never been a sharp line between the educational and legislative aspects of the movement and leaders in both share in each other's gatherings. Especial welcome was given at a mid-point in this conference to a report by Robert Clancy, director of the Henry George School in New York, concerning the course he is now giving on "The History of the Georgist Movement." This followed appropriately a discussion led by Robert Benton, director of the Detroit extension the previous evening, in which he stated that a Detroit Georgist, James Clarkson, had been elected to the Michigan legislature and would be glad of suggestions as to practical forms of legislation. It was pointed out that research in this field would be a true educational function even in a tax-exempt institution.

Although the opportunities now open in Pennsylvania and elsewhere formed the central theme of this conference, the impressive accumulation of news from New Zealand and Australia was unquestionably the highlight which will influence the future program. This came, first, through the presence of H. Bronson Cowan, whose carefully revised *Graphic Summary of Municipal Improvement and Finance* can now furnish the factual proof of workability so badly needed in campaigns to extend land value taxation in America. Mr. Cowan's material caught the attention of Pittsburgh newspaper men at the press interviews and won large headlines in three dailies as well as wire reports by the Associated Press. He spoke at the opening luncheon where he was heard by city officials and housing experts, and stressed the great renewals, in blighted districts of the cities which he studied, brought about without subsidy through removal of taxes on improvements and "removal of the gigantic bonus to slum operators" (the former low taxes on land). As usual, he surprised hearers by his figures showing that total land valuations rarely decreased, in spite of the drastic shifts in tax incidence, thus countering the familiar argument that land investors will suffer great losses. Gilbert M. Tucker's evening topic, "Why Landowners Should Favor the Land Value Tax," re-enforced this approach, with examples showing how the owner of an old structure on high-priced land will gain by erecting a tax-free house or building even if the land taxes go up. He also received attention from the news men.

Mr. Cowan's most telling story will bear many repetitions, since it deals with the group most likely to pay higher taxes (leaving aside the land speculators, whom we hope to turn to better vocations). A merchant in an Australian community was warned by his uncle, a large landowner, not to favor the new land value tax proposition, since it would greatly increase his taxes. "Yes," the merchant replied, "but I can't sell goods to all these vacant lots."

Mr. Cowan's report from around the world was ably seconded at the luncheon by Leon Caminez, vice-president of the International Union for Land Value Taxation and Free Trade, who told of new gains by the Justice party in Denmark; the full development in Johannesburg; the exemption of rural improvements in Jamaica, and the interest stirring in many countries from Europe to the Philippines.

Professor Harry Gunnison Brown arrived on the second day of the conference, and those who know his work know that he, like Mr. Cowan, emphasizes the value of the laboratory demonstration in Australia and other countries. He was the final speaker at an evening banquet, and hammered home the point that the landowners of place after place in New South Wales and Queensland voted for land value taxation, so that now there are many who have never known what it is to pay a tax on a building. Recently in Victoria, the only one out of four communities which did not vote heavily for this change depended for all its news on a paper owned by a publisher who did not print the facts. Dr. Brown cited support, in America, by the journal of railroad brotherhoods, Labor, which in turn quotes from House and Home (sponsor of a recent housing conference in Pittsburgh that publicized the graded

tax). He showed also the potential appeal to manufacturers looking for locations with the greatest incentive.

Like several other speakers, he mentioned the advantage of legislation in Australia which allows voters to petition for a referendum on land value taxation and requires the city to send each land-owning voter a statement showing his present taxes as well as what his taxes would be after the change. All reports from other countries and from Pennsylvania cities where studies have recently been made confirm the fact that the overwhelming number of homeowners, most industrial plants, and scores of modern buildings pay lower taxes under a system based on land values than under flat real estate taxes. Hence the potential political strength of the movement—and the need to make a careful presentation to merchants and others in the business districts where new taxation will largely fall. Mr. Cowan in a richly detailed summary at the closing session told of his contacts in Australia, Canada and the United States with specific influential groups such as architects, building contractors, labor, and suppliers, veterans seeking houses, community planning bodies, manufacturers, etc. "They will do for us what we cannot do ourselves," he said, meaning that it is well to make an approach without the label of Georgism or any goal too sweeping to have an appeal for those with limited interests.

This point was discussed with frankness at several sessions. It was a major emphasis of Gilbert Tucker, whose work is done under the name of the Economic Education League. Despite enthusiastic adherence to the Georgist movement on the part of conference visitors and speakers, many felt the use of a label was a hindrance and therefore accepted as practical, a state and local government approach which would make

little mention of the "single tax." "After enough of these steps have been taken," said one speaker, "honor will be paid to Henry George—he will be rediscovered as the great pioneer." Pittsburgh newspaper stories of the conference, of course, showed that no such dissociation is possible in this city, though it may be elsewhere. Young reporters, to whom the whole subject was new, showed no prejudice and readily conceded the realism of proposals based on facts from Australia, irrespective of the theories behind them.

Informing the Public

It was this drawing together of veterans in the cause to enlist their aid in a new sort of campaign, which made this a very practical conference with a program. One session, compared the work of professional economists studying the probable effects of a graded tax in two Pennsylvania cities and showed how groundwork can be laid for influencing public opinion and government action. Professor George G. Sause, Jr., of Lafayette College, told of the study in Easton, and Dr. Edward Sussna, now at the University of Pittsburgh, described a similar study in Bethlehem, made while he was at Lehigh University, along with three colleagues. The latter was financed by the Economic Education League, and Dr. Sussna commended Gilbert Tucker's hands-off policy, which left the researchers free to be completely objective. Among other findings, they discovered so many inequities in assessments that their work came to favorable attention from city officials because of its immediate practical value. What will be done next depends on local political variables, and whether the Economic Education League and the Graded Tax League find ways of stimulating local leadership. A field worker for

these and other Pennsylvania cities may be engaged. Dr. Harry Gunnison Brown, now at Franklin and Marshall College, Lancaster, Pennsylvania, will be readily available for lectures and consultation.

Whatever tactics are adopted, it was agreed by those who came from other states, that Pennsylvania now offers the most advantageous field for action (though Michigan and California have strong indigenous movements)—because of the McGinnis Act enabling 47 cities to go as far as they like in shifting taxes to land value, provided one more amendment is secured removing a ceiling on millage. Senator B. B. McGinnis spoke at a later session, illustrating his own genial political tactics. Percy R. Williams, executive secretary of the Henry George Foundation, and city government expert on assessments, shared in the panel with Professors Sause and Sussna, comparing the groundwork for the Pittsburgh Graded Tax law of 1913, which lay both in a broad Pittsburgh Survey and in a vigorous movement for civic reform. He also told of the constant problem in keeping assessments by county boards from giving a misleading picture of basic facts. (A study of the assessment situation in 500 American cities which he has recently compiled will be summarized, shortly, in *The American City*.)

Charles R. Eckert, president of the Foundation; Clayton J. Ewing, vice-president; Joseph A. Stockman, Robert C. Bowers, Julian P. Hickok, Noah Alper, Otto Cullman, W. W. Williams, and Lucian T. Wilcox, all helped to coordinate the long-range outlook of the Georgist movement with the specific proposals and news of the hour—or, as Robert Clancy said in describing the function of the Henry George School, to guide a course "between esoteric cultism and superficial popular appeal." Papers were heard from J. Rupert Mason,

Steven Cord (see page seven) and Judge John R. Fuchs—all merited discussion. Themes varying in an interesting way from the general trend were presented by Selim Tideman, who gave a Georgist view of the international crisis in which many non-Georgists might concur; and by Lancaster Greene, whose talk on investments and inflation may be published in HGN in a subsequent issue. One of the most valuable contributions made by Mr. Greene was his

service as guest of the evening on a television forum conducted by students at the University of Pittsburgh over Station WQED, when questions were also telephoned in by viewers from the surrounding territory. His ready responses on subjects ranging from investments and foreign policy to (especially) the Pittsburgh graded tax, must have impressed the audience as well as the panel.

JOIN THE GEORGISTS IN GERMANY

At this attractive conference site in Hanover, Germany, the Tenth International Conference on Land-Value Taxation and Free Trade will convene in 1959, from the 25th of July to August first. Meetings will be held in the modern restaurant (lower left in picture) at the edge of the Maschsee, a large artificial lake about seven minutes' walk from the center of the city.

Mid-morning coffee, lunch, afternoon tea and evening dinner will be taken in this restaurant where the cuisine is excellent—and all this Continental good eating comes to only \$4 a day. Hotel accommodations range upwards from \$2.75 a day.

Equally surprising is the fact that passage by steamship may be had for as little as \$217.50 one way in tourist class—or, if like Mike Todd you travel first class, it's \$377 each way. You prefer to fly? This is a fine idea if you don't take too long to think it over. It's \$290.10 one way at the economy rate or \$473.10 the Mike Todd way. Round trip flight fares save more money, and while the conference will be charming and an unforgettable experience, we are sure you will want to come back.

The Bankers and Merchants Travel Service has been appointed by the International Union as the official conference travel representative for North America, and has designated a special member of the organization to make reservations and solve all transportation problems, not only at the conference but on any other trips you might want to make preceding or following it. This service insures an itinerary tailored to individual budgets. For particulars write or telephone the Bankers and Merchants Travel Service, 511 Fifth Avenue, New York 17, N.Y.



What is Happening to Economic Rent in the United States?

by STEVEN CORD

WHY does economic rent in the U. S. not seem to be as great as the *Progress and Poverty* analysis would indicate that it should be? I would like to present for your consideration three factors which inhibit the growth of land rent in our economy.

According to Henry George, there are two forms of income: monopoly income and producer's income. Private land-rent collection was the monopoly exaction that he was mainly concerned with, and he said that the producer's income was small because the private land-rent collection was large. This is why, said he, producers—meaning labor and capital—have faced eternal poverty and recurring depressions.

But consider this: since George's time other monopoly exactions have become increasingly important. Unions have forced up wages by monopoly tactics. Corporation monopolies and oligopolies have become increasingly important. Above all, the government's own gigantic monopoly, the power to tax, has grown to immense proportions. It now takes one-third of the national income. No longer is the landowner the major monopolist to partake of the producer's sweat and toil; he has to share his privilege with other monopolists, and one of them, the government tax collector, is even larger and more powerful. There may be as much monopoly income as there ever was, but monopolists other than the landowner are now getting a bigger share of it. Consequently,

In a seven minute message read at the recent Georgist conference in Pittsburgh, Steven Cord, a history instructor in Yonkers, New York, said the monopoly landowner faces stiff competition from other monopolies, particularly the government tax collector. Land values inadvertently have been subject to higher taxation, he said, "if this were not so, land values would be shooting up even faster than they are now."

land rent represents a smaller share of the economy than it used to.

There is another factor in our economy that inhibits the growth of land rent. As we have become more industrialized we have made greater use of capital, and production has become more roundabout. In the old days, the path of a product from nature to the consumer was comparatively short. A western pioneer might cut down a tree and make a chair for himself. Since his day an increasing number of applications of capital to the product have arisen between nature and the consumer. Now to make a chair, a lumberman, trucker, manufacturer, wholesaler and retailer are involved, not to mention paint and machinery manufacturers. As more capital is being used to produce the final product, then interest, or the return to capital, must become an increasingly larger share of the cost of the final product. In addition, wages take an increasingly larger share of the final cost because more and more labor is needed to operate the capital. If wages and interest take an increasingly larger share of the final cost, then percentage-

wise the share going to land rent must decrease. Land rent may increase as an *absolute* amount, but it will decrease as a percentage of the total product.

Take, for example, any agricultural country in the world today. Compared to the United States, the amount of land rent is of course much smaller, but is it not true that the landowner overseas gets a greater share of what is produced? Various UN reports tell us that in South Korea an agricultural landowner can get 50 per cent of the total crop. In Japan the minimum has been 50 per cent. In Kurdistan (Persia) the landowner gets two-thirds of the crop, in Egypt 50 per cent, and so on. Land rent in America may be high, but in all truth it must be admitted that any American landowner would be extremely satisfied if he got as much as 10 per cent of what is produced on his land. In suburban shopping centers, real estate owners get 6 per cent of total retail sales. This 6 per cent is not all land rent. As agri-

cultural countries become more industrial, and production becomes more roundabout, landowners can expect to get more for their land, but the total amount of wages and interest will increase even faster.

I would like to mention a third reason why land values don't seem to be as large as the *Progress and Poverty* analysis would indicate they should be. Real estate taxes are higher than ever before. Land is consequently being taxed more than in the past. As a result, land values, which are capitalized land rent, have been considerably held down. Perhaps we tend to overlook this. New York City land may be assessed at \$12 billion, but how much more would New York City land be worth if that part of the real estate tax which falls on land values were reduced? If New York land were not taxed at all (say, if the real estate tax were replaced by another type of tax), wouldn't the value of New York land jump fantastically?

PITTSBURGH HAS BENEFITED FROM THE GRADED TAX

The Hon. Mayor David L. Lawrence of Pittsburgh, who was recently elected governor of Pennsylvania, said early in his term as mayor, "there is no doubt in my mind that the graded tax has been a good thing for Pittsburgh. It has discouraged the holding of vacant land for speculation and provides an incentive for building improvements. In the distribution of the tax burden, it is beneficial to the home owners. The law is generally accepted in the community, and there is no significant support for its repeal or modification. In fact, there is a lively movement to extend it."

Councilman Bennett Rodgers, speaking at the recent Henry George Foundation conference in Pittsburgh, said, "There is no question that the graded tax has proved successful in Pittsburgh . . . it recognizes the impact of community improvements upon land values. It is equally apparent that it has been beneficial to the home owner, whose numbers are growing every day."

The Danish Justice Party

DENMARK is the oldest kingdom in the world. Since the year 930 members of the same family have been kings and queens. Today it is the only country governed by three parties which are all more or less in favor of Henry George's ideas. As early as 1659 there was evidence of a definite movement toward justice in the field of taxation.

In that year the king had to find a method of raising money for a "very expensive war." His method was a proposal that the noblemen pay taxes on their lands as other people did. When they refused, the king turned to the citizens. They decided to close the gates of Copenhagen preventing any nobleman from leaving until he had signed a charter giving the king autocracy. From then until 1903 the landowners, including the noblemen, had to pay a tax fixed upon the productive capacity of the land—not upon the amount produced. There was no tax on buildings.

Until the last few decades nearly 80 per cent of the Danes were farmers. With increasing industry has come the tariff problem which worked a hardship on farmers and made them aware of the fact that a growing population in the cities was entirely free from taxes. As a result of activity by the Farmers party a law was enacted in 1903 with a very small tax on land and buildings as a whole. A tax on property and income was also instituted. This latter tax, though small in the beginning, has increased lustily, as might be expected.

By 1905 people discovered this was a "bad law" and Severin Christensen, in analyzing the problem, discovered Henry George's ideas. He published a book entitled *A State of Justice* and this drew the attention of a number

Mr. and Mrs. Engelhard Harremoës were guests at the Henry George School in New York recently at a dinner meeting of Robert Clancy's class on "The History of the Georgist Movement." Bringing the warmth and hospitality of Denmark with them, Mr. Harremoës, now representing the Justice party at the UN, documented carefully and pleasantly, many little known features of the Danish scene as it reflects the ideas of Henry George. A brief digest of his remarks is offered here.

of Danish philosophers, who, by 1919, decided to form their own party. That brings us to the now famous Justice party, which, following a period of political trials, can now claim nine members in the Parliament.

The Justice party was firmly committed to certain clear aims. They wanted (1) to bring the public finances into order, wiping out the deficit; (2) they wanted free trade restrictions and tariffs to be moved away gradually, but as fast as possible; and (3) they wanted to take a big step forward in adoption of the single tax, with a corresponding reduction of other taxes.

Whatever criticisms or doubts may have arisen within the party or from its interested observers outside Denmark, the fact remains that the economy has not been better for the last twenty years than it is today. Savings and bank deposits have increased considerably, and the balance of payment between Denmark and other countries has changed from a deficit of 500 million Danish crowns to a surplus of 1000 million.

In the efforts toward free trade the progress has been slower, despite the fact that Justice party members believe they can prove that a courageous removal of all tariff barriers would result in lower prices on foreign im-

ports rather than higher prices, as commonly supposed.

Until the Justice party joined the government it was the general idea that they should support every step to promote the full single tax and vote against ordinary taxes, and this goal is slowly coming more nearly into view. As an example, a recent step taken in Denmark has been another 30 per cent raise in the rent of apartments, out of which the owner will retain 16 per cent and pay 14 per cent to the state to reduce the income tax correspondingly for all people.

The next normal election takes place in 1961 and it is hoped that the Justice party will move toward free trade and the single tax, since there is little opposition from the other parties. Many Danes are familiar with the ideas of Henry George — in fact many have devoted their lives to his principles. The success that has been achieved in these few years as a result of this concentration of thought and hard work, suggests that if enough people were willing to "live for it," perhaps no one would ever have to "die for it."

"CONSIDER THE LILIES"

Christian Economics, the fourth in the series of booklets by C. J. Ewing, is "inscribed to the religious mind and especially for the consideration of orthodox thought in America." It points out that of three main points taught by the man from whose birth we date our calendar, only two are preached in churches, while the third — economic righteousness — has been overlooked.

This principle of justice upheld by Jesus emphasized the teachings of Moses and Elijah, and was familiar to the Scribes and Pharisees who were the recognized teachers of the period. But they, as the author points out, supported a system of slavery and deprivation for the masses, so quite naturally, they too, chose to soft pedal the economic issue. Among many interesting interpretations is one relating to the lilies of the field — they grow "because they have access to the earth."

This 32-page booklet, which you may have by sending 10 cents to the author, C. J. Ewing, 253 Chidester Avenue, Mobile, Alabama, should furnish surprises, especially, for anyone interested in Biblical history.

INVITATION TO "BALANCED LIVING"

At Lane's End Homestead in Brookville, Ohio, lives a woman whose name has become well known for a variety of reasons. She is Mildred Loomis, and she mills her own flour, bakes her own bread, teaches classes in Fundamental Economics, and helps get out *Balanced Living*, the monthly journal of the School of Living.

This journal — a forum for sociologists, economists, psychologists, philosophers and nutritionists — discusses topics ranging from such practical matters as solar heating to long range plans for experimental communities. The goal is an attempt to define and practise ways of dealing with all major problems of living. A creative approach examines these problems in dynamic relation to each other in an effort to achieve "wholeness," and to search for truer and more satisfying values. The members are deeply concerned with improvement of human relations, soil and health, government, and the advancement of world peace. Henry George's books are high on their "recommended reading list."

Mrs. Loomis welcomes correspondence from anyone who would like to know more about the School of Living or who would like to receive a copy of the journal. An annual conference gives those who attend a chance to exchange ideas and meet new friends. Three dollars covers the cost of *Balanced Living* and membership for one year in this non-profit organization.

—Ernestine Jaediker

Noah D. Alper's Brief Cases

BETTER LATE THAN NEVER

Now the women are doing it too. Males are barred from this exclusive land-speculation group in Tampa described by Sylvia Porter in her column "Your Money's Worth."

"The women have bought two tracts of land, and recent independent appraisals, demanded by the state securities commission, indicates the land already has risen one-third above the prices the corporation paid. . . . Tampa is in a 'conservative' rather than a sensational land boom now, but it's still a boom by any yardstick. The whole area is industrializing; in one area south of Tampa, land which sold for \$300 an acre 18 months ago sold for \$600; building in the first nine months in Greater Tampa was up 31 per cent."

Suppose everyone tried to live from such "productive" investments?

THE HIGH COST OF UGLINESS

"High land values in the central sections of our cities are among the principal obstacles to making our cities attractive places in which to live. Even if a builder with great difficulty were able to assemble a sufficient plot of this land, he would be forced, because of its cost, to develop it at a density comparable to the crowded condition which originally contributed to its decay. Hence the paradox that the land which holds a large part of all that is mean and sordid in our cities is also among the most expensive."—from the Twentieth Century Fund survey "America's Needs and Resources: A New Survey," by J. Frederic Dewhurst and associates.

"WHAT CAN YOU SAY TO ANSWER THAT ARGUMENT"

"We cannot buy wine, tobacco, or salt without paying that tax. And a part of the tax that we pay is given by law—in privileges and subsidies—to men who are richer than we are. Others use the law to raise the prices of bread, meat, iron, or cloth. Thus, since everyone else uses the law for his own profit, we also would like to use the law for our own profit. We demand from the law the right to relief, which is the poor man's plunder. To obtain this right, we also should be voters and legislators in order that we may organize Beggary on a grand scale for our own class, as you have organized Protection on a grand scale for your class. Now don't tell us beggars that you will act for us, and then toss us, as Mr. Mimerel proposes, 600,000 francs to keep us quiet, like throwing us a bone to gnaw. We have other claims. And anyway, we wish to bargain for ourselves as other classes bargained for themselves."

—from *The Law*, by Frederic Bastiat

LES MISERABLES

"Killing riches is not distributing them. Encourage the rich and protect the poor, suppress misery, put an end to unjust exhaustion of the weak by the strong, adjust mathematically and fraternally the wages to labor. (These) two problems must be solved together in order to be properly solved. Know how to produce wealth and distribute it, and you will possess at once material greatness and moral greatness."

—Victor Hugo

YOU CAN STILL ORDER CHRISTMAS CARDS WITH THE QUOTATION FROM HENRY GEORGE: "Freedom is the natural state of man." One box contains 16 cards. Price \$1.25 postpaid. Order through The Henry George News, 50 East 69th Street, New York 21, N. Y.

The School in the News

LOS ANGELES reports an enthusiastic response to "Economics—by George," the radio program on station KHJ every Tuesday at 8:35. A tremendous volunteer effort has made this success possible. Steward Palmer, author of TV's Perry Mason show is the master mind, Doris Packer Edwards and William Truehart are narrators, Clarence Strait directs, and Herbert Thompson is the announcer. If you are outside the listening range but have friends living in Southern California, why not suggest that they tune in to this program and tell you how they like it?

SAN DIEGO is in trouble again. Eva Maxwell, at home in two worlds—East and West, will join her husband in Seoul, Korea, leaving vacant the post as extension director, which she has filled admirably since November, 1956. Sidney Evans is chairman of the committee in search of a new director. Write to him if you know of a person or couple suitable for this resident position.

A tape recording of addresses from the Henry George Conference last summer is now available from the San Diego extension, 1536 Seventh Avenue, and includes the notes of Miss V. G. Peterson, Dr. Rolland O'Regan, Dr. Glenn Hoover, Marion Kilpatrick, Joseph Thompson and the Hon. J. Bracken Lee.

ST. LOUIS, now in the 20th year of extending the Henry George philosophy, announces a mimeographed E.I.C. Work Sheet (Education—Information—Communication) to be issued "now and then." It will concern itself largely, under Noah Alper's direction, with How To?

Dr. John B. Moore, economics professor from Lindenwood College, will be the guest speaker at a De-

cember first commencement, at which time a tape recording of Dr. Rolland O'Regan's inspiring conference address will also be heard.

The Henry George Women's Club is entertaining with a Smorgasbord dinner and white elephant sale on December 7th at 5164 Washington Avenue. There could hardly be a better way to spend Sunday evening from 5 to 7 than with this hospitable group.

NEW JERSEY's Gargoyle continues to entertain and inform, with articles prepared by O. B. Johannsen, Virginia Harvey and Dean Alexander M. Goldfinger. The November issue presents "dramatic evidence of the absurdity of our system of land tenure" as evidenced in lower Manhattan. Here Mr. Johannsen shows that "students of Henry George have a concrete illustration of the problems which arise when speculation in land is permitted." If you'd like to be on the mailing list for The Gargoyle, write to 78 Clinton Avenue, Newark 2, New Jersey. This would be a good way to get a preview of the 1959 Henry George School conference at New Brunswick, New Jersey.

CHICAGO is pleased to announce that Beryl W. Sprinkel, economist of the Harris Trust and Savings Bank, a former student of Harry Gunnison Brown, will address the 87th Commerce and Industry luncheon on the subject, "Can We Halt Inflation while Maintaining Economic Growth and High Employment?" Joseph L. Block, president of Inland Steel Company, will receive the "Company of the Month" citation.

In the fall 1958 executive program ten inter-industry study groups have been formed by the Commerce and Industry Division in Chicago.

Book Reviews

AND PROMENADE HOME by Agnes de Mille. Little, Brown & Co. 1958. 301 pages. \$5.

Reviewed by ROBERT CLANCY

"ANOTHER book? about yourself?" was the incredulous comment a friend made when Agnes de Mille had done just that. But we may be glad she did.

Miss de Mille's first book, *Dance to the Piper*, told of her early struggles and her eventual success with the ballet Rodeo and the show Oklahoma! This second book continues her autobiographical narrative. She can write, this many-sided granddaughter of Henry George. She endows every little event, every sight seen, every encounter, with a glow of importance that makes you wish you had been there to see for yourself. And there is a sharp breathless quality in her writing, a feeling of urgency and excitement, a pitch and pace that makes you feel she has just put you through a demanding dance rehearsal. She has, in fact, this same quality when she delivers one of her effective speeches—and of course it exists in her dance work.

The stories told are interesting enough in their own right. The revelations about show business are sometimes hilarious, sometimes hair-raising. The love motif—herself as a war bride—is poignantly told. But beyond all this, Agnes de Mille (Mrs. Walter Prude) has a message—and that is, the right of a professional woman to a home life, and vice versa; or quite simply the right of a woman to both.

When Miss de Mille describes the harrowing things that go on when a new show is in the hopper, one begins to wonder, why this Golgotha, merely to amuse us? There is of course the dedication to art, the eco-

nomics of it, and the perpetual quest for pay dirt. And there are the fierce, bitter, remorseless competition, deals, powerful combinations, injustices, poverty and struggles.

Miss de Mille points out that choreographers are an exploited group in the theatre. She would like to see copyright laws to protect them from the piracy to which they are continually subjected. And she thinks a union might help. It is natural for an exploited group to think of this device to increase bargaining power. But look at what unionizing has already done to the theatre. The demands of theatrical unions, added to other economic exigencies, have left room on Broadway for the most powerful, the most ruthless and the most popular—and for no one else. The immediate result of a union of choreographers would probably be to improve their lot, the long-range result would probably be to further stifle the theatre.

Nor should we neglect to ask why it is that choreographers find themselves at such a disadvantage when using the perfectly wholesome method of bargaining in the open market. What is it but one more reflection of the economy as a whole, characterized by restricted opportunities—restrictions imposed by monopolies, power groups, high taxation, exorbitant rents. The problem was seen clearly and analyzed irrefutably by Agnes de Mille's noted grandfather. But dancers and other people have to live in the present, and Miss de Mille has given us a revealing glimpse of the seamy side of theatrical life as well as its bright side.

And Promenade Home, surprisingly enough, covers only the period from 1943 to 1945. There is, then, more to tell and I for one hope she will continue with a third book.

WINSTON CHURCHILL'S ANTI-DEPRESSION PROPOSAL, by William Edwards Clement. Sponsored by Public Revenue Education Council, St. Louis. 226 pages. \$4.25. Special offer of \$3.50 to graduates of the Henry George School. Order from The Henry George News, 50 East 69th Street, New York 21, N.Y.

Reviewed by NOAH D. ALPER

THE rising tide of books and articles relating to Henry George has recently been augmented by William E. Clement, now retired—an elder statesman among Georgists. He has had much experience in gaining public acceptance of new ideas through his years of association with the New Orleans Public Service Corporation, and he presents the theory of land-value taxation in a way that will surely appeal to non-Georgists and Georgists alike.

"Few know that long ago this profound thinker, statesman, writer and man of action made a study of what is still the world's basic problem, the recurrence of depressions," the author states. "Sir Winston fought a long, uphill fight, pressed his views earnestly and insistently upon the public; and if he did not move the people to accept his solution, he laid the grounds for action in these later and now more perilous times." It is perhaps little known, even by his many admirers, that Churchill made a number of important addresses in Parliament and elsewhere advocating the "transfer of taxes from goods and capital to ground rent of occupied and speculatively-held vacant lands."

Mr. Clement shows how in Eng-

land "ground land-lords" were in control of the government and placed most of the tax burden on commerce and manufacturing—this had the effect of enormously inflating the rental and selling price of bare land—a basic cause of recurring depressions in England and the United States.

Many quotations support the main thesis, and many examples of right and wrong taxation bolster the impressive argument. A section on free market, land-use committees outlines a possible means of assessment and planning divorced from political influences. A smooth running economy can make depressions a thing of the past, the author notes. Using the wheel as a symbol for industry, he indicates how imbalance brings unemployment and lowered morale.

Original ideas and contemporary interpretations are introduced in a chapter entitled, "Nature's Atom Pattern Shows the Way." The final 62 pages of the book include appendices with information on land tax reform in Pittsburgh; excerpts from Francis Neilson's review of Toynbee's *Study of History* with special reference to the land question; and extensive material on taxation by authorities from Benjamin Franklin to the present. Much space is given to the Henry George School—its extensions and directors, as well as its aims and methods.

Given a wide circulation this book should play a constructive part in abolishing the economic and political slavery which results from our present land tax and tenure policies. It is printed in large, easily readable type, and contains 62 illustrations.

Gilbert M. Tucker, the author of the (unsigned) 12-page booklet, *How About Your Town*, suggests that since a number of HGN readers wrote for copies of the booklet, others might wish to make a civic contribution by sending copies to persons whose names appear in the daily newspapers as being interested in housing, slum clearance and city planning. This excellent idea is especially timely in view of the shocking slum conditions now being exposed in New York. Mr. Tucker is president of the Economic Education League, 17 D&H Building, Plaza, Albany, New York. Price, 10 for \$1 or 100 for \$5.

THE AFFLUENT SOCIETY, by John K. Galbraith, Houghton Mifflin Co. Boston. September, 1958. 368 pages. \$5

Reviewed by JAMES A. MURPHY

IT is reassuring to discover, from no less an authority than Dr. John Galbraith, a Harvard economics professor, that poverty, a bugaboo of the past, is no longer with us, or is at most a "minority" problem. Believe it or not—you slum dwellers, sharecroppers and unemployed now belong to an insignificant minority, at least in the U.S. There is also a message in this book for you "misanthropic and frustrated" Georgist radicals; according to Dr. Galbraith, Henry George's prescription is out of step with the American dream, so you are pursuing a vain hope. In effect, he is telling not only Georgists but all social reformers to forget about such non-existent or fast-vanishing problems as unemployment, war, poverty and social unrest and leave them to the experts. They have it all solved—so go home fellows and stop worrying.

This book deals with the recurring problem of imbalance in the distribution of goods and services, and the unquestioned assumption that free markets have failed to distribute these goods and services equitably. Despite dire predictions of laissez-faire economists (like George), that governmental controls and restraints would foster monopolies and result in a totalitarian state, Dr. Galbraith insists that we are prosperous. How can this be explained in view of the fact that we are committed to the idea that the state should and must regulate wages, prices, profits and incomes?

Dr. Galbraith attributes prosperity and greater security for the masses to governmental measures like unemployment insurance, old age pensions and deficit spending, which he says have all but eliminated involuntary poverty. This greater security has resulted in

increased worker efficiency and output, he states, but has brought in its wake the problem of disposing of the more abundant goods. Disposal has been solved by the Madison Avenue approach of creating desire, through advertising, for things previously undesired. Now that we are affluent and no longer beset by the problems that went with a poverty economy, Dr. Galbraith points out that we need, not more wealth, but better schools, public services and healthier environments. However, since these things are unprofitable and do not attract private investment, the government must step in and make them available to all.

How is this investment in higher things to be financed? Why, by the only logical course, of taking it from the greatest beneficiaries of our affluent society—the people who can buy things. This is to be accomplished by a general sales tax, and if this does not put everyone to work producing all the increased wealth demanded by more affluent consumers, the unemployment problem can be solved by an increase in unemployment compensation. As unemployment increases, the amount paid to the unemployed must be increased so that consumer demand will not slacken; whereas as full employment is approached, these payments must be curtailed. This plan, Dr. Galbraith dignifies with the title, Cyclically Graduated Compensation, or CGC, for short.

Mightily has the distinguished doctor labored, and meager is the result. If leading economists can produce nothing better than these patently absurd proposals, the outlook is far from bright. Yet despite current thought trends away from freedom of the individual there are a few signs that the spirit of liberty is still strong. The recent books *Dr. Zhivago* and *Not By Bread Alone* attest to this, even in Russia. Which trend will emerge to shape the future—only time can tell.

TAX TO ENCOURAGE BUSINESS IN MANITOBA

From Flin Flon comes a newspaper item regarding a plan to encourage business in The Pas, gateway to Manitoba's north. The community council wishes to impose a special tax on undeveloped building lots to force owners to sell, since all building lots within the town limits have been bought up.

The tax was proposed by the mayor and solicitors submitted the request to the Manitoba Utility Board as an amendment to the town charter. It was found that many vacant lots had been bought by business firms claiming they wished them for the expansion of their own business, but in one case a lot has been held for 25 years and the firm still does business from the original structure.

"They're afraid of competition," one official said, "by this action they're doing the town treasury out of a great deal of business tax. They should be given a time limit to build on the property, sell it, or be prepared to compensate the town through special taxes on the property."

IT IS KNOWN

Sicily, making progress more rapidly than the rest of Italy, moves forward on the flow of oil. Until 1950, according to a Reuters dispatch, the "island's main activities were concerned with citrus fruit, wine and bandits." The discovery of oil in the Ragusa area in 1953 gave the industrial revolution a "tremendous fillip." Laws were approved granting tax exemptions to new industries and encouraging the investment of foreign capital. Available resources and tax exemptions make for industry, jobs and wages. In local aids to industry and redevelopment, these principles are almost always applied. Why is it so hard to see the general principles when so many fragmentary applications are applied?

What Kind of a Member Are You?

If you are receiving The Henry George News regularly you should be at least an Active Member of the Henry George School—this means that you should send a minimum yearly donation of \$10 for which you would receive twelve issues of HGN, as well as a copy of the annual school booklet and report, a number of very useful reprints of Georgist material, and a card of membership. But best of all you pay toward the cost of educating students in Fundamental Economics.

Some of you are Contributing Members at \$25 to \$99 a year, or Supporting Members at \$100 to \$999. A few are Sustaining Members at \$1,000 or over—these pay for the support or partial support of a Henry George School extension. Your contribution, whether large or small, will be used wisely, and remember it is tax deductible.