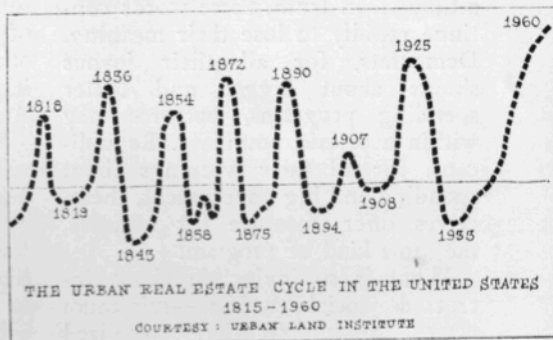


the Henry George News

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Land— A Special Issue of House & Home



AUGUST, a drowsy vacation month, was greatly enlivened by the appearance of a special "Land" issue of House & Home, the biggest professional magazine of the housing industry.

On the handsome pictorial frontispiece we read, "Within view of the Pacific Ocean there is enough room to house the entire population of the United States with a density of only 12 to the acre. The area actually occupied by all the cities and villages in the United States covers only one-half of one per cent of the surface of the country."

Land prices have soared anywhere from 100 to 4,760 per cent since 1950, says a headline. Unless this wild inflation is checked promptly the results can be serious. Today's taxes make misuse of land more profitable than good use. The profit motive is harnessed *backwards*. Slums are subsidized by undertaxation, developments

are penalized by overtaxation and speculators are subsidized by public improvements for private profit. "The only way to prevent land-price inflation is to tax land more heavily."

Our initial enjoyment of this striking feature on which Professors M. Mason Gaffney of the University of Missouri and Ernest M. Fisher of Columbia University, collaborated, was followed immediately by the desire to share it. So a reprint running to 83 large, illustrated pages is now available, at only 35 cents or three for a dollar. Send your orders to The Henry George News, 50 East 69th Street, New York 21, New York, and find out *why* "home builders vote 4 to 1 that land is the most critical problem."

It may be that, as stated, Winston Churchill said it better 40 years ago ("land monopoly is a perpetual monopoly and the mother of all other forms of monopoly") but House & Home has said it better for the 1960's.

A Word With You

IT'S one of those years again, and a Niagara of oratory will descend upon us before election day comes and goes.

The old labels still cling to the political parties. The Democrats are still the "liberals" and the Republicans are still the "conservatives"—although, in truth, these words continue rapidly to lose their meaning. Democrats, for all their joyous shouts about bigger and better spending programs, perforce stay within a certain boundary. Republicans, for all their warnings about spending and big government, themselves offer, measure for measure, the same kind of program.

What is so invincible about increased social welfare—minimum wages, social security, socialized medicine, farm supports, etc., that it has only to get started in order to keep augmenting?

There's a reason for everything. These things would not exist if people did not feel the need for them. For a century and a half, Americans did not want such things. There was room for everybody, and any average bloke could make out well enough, and if you had any gump-tion, you could make out very well, and hurrah for freedom!

Not until the Great Depression did people become so shocked and disillusioned as to demand—and get—social welfare measures. So let's

face it—it was only after the failure of a certain way of life, seemingly free, but blighted by monopolistic practices and special privileges—that people turned to the new way of life.

The social welfare measures we are now living with—and paying for—are superficial things—the sort of solutions that would pop into one's mind at random without taking thought or making an analysis. And we're stuck with them.

It has become a cliché of individual morality that "the road to hell is paved with good intentions," but we have not yet learned the same lesson in our social life. It *seems* like a good idea for the government to give relief to people who need it—but once it goes beyond a temporary emergency, once it becomes standardized and institutionalized, then it becomes a bookkeeping entry, it becomes part of people's calculations as to how much they can get by remaining idle, it becomes a source of corruption and a political football.

We can only hope that after a quarter-century, people will not need another century and a quarter to smell something fishy about the solution they've now saddled themselves with, and that they will come closer to a way of life in accord with justice and freedom.

—Robert Clancy

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The Henry George News, published monthly by the Henry George School of Social Science, 50 E. 69th Street, New York 21, N.Y., supports the following principle:

The community, by its presence and activity, gives rental value to land, therefore the rent of land belongs to the community and not to the landowners. Labor and capital, by their combined efforts, produce the goods of the community—known as wealth. This wealth belongs to the producers. Justice requires that the government, representing the community, collect the rent of land for community purposes and abolish the taxation of wealth.

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England Reacts Against *Socialism*



ASHLEY MITCHELL of Huddersfield, England, speaking at the Henry George School conference banquet in Detroit in July, brought hearty greetings from British friends and said he had met men he'd been wanting to meet for years. Mr. Mitchell is secretary of the International Union for Land Value Taxation and Free Trade. He is often referred to as "the flying Yorkshireman" because of many flights abroad.

He emphasized that we had met together not merely in the interests of tax reform, but in the cause of liberty. If the unfortunate countries now under foreign rule could be relieved of the force that keeps them down they would jump for freedom, he said. One of the best ways in which we could send aid to distressed countries would be to suggest that we can't send aid unless they establish land value taxation, but "we can't do that because we don't have it ourselves."

Quoting Frank A. W. Lucas, late president of the International Union and former Supreme Court Justice of South Africa, he said, "the freedom lovers are always losing ground. Though we may be gaining the world materially, we are losing our souls." The danger to English speaking countries is not from outside, but from within. The freedom of the democracies, Mr. Mitchell believes, is something the people may lose if they don't watch out, for it is being steadily undermined. We are ridden by fear at

the crossroads, and unless we take the right steps we may go down the slippery slope.

Where people are afraid, they are in the dangerous position of listening to proposals which are a further invasion of their rights to freedom. Speaking of England he said unfortunate war conditions made people open to suggestions they wouldn't have considered before. "We didn't get rid of the controls, instead we got increased controls and became half slave and half free." Are people free when they are trespassers in their own land? That's the situation with us, he continued. People have to pay tribute to be allowed to use the earth.

Himself an exporter of woolen materials, and a business man of experience and character, he spoke with the utmost authority when he said the high price of land and the tax on land make it necessary to speed business up to the highest efficiency. This vicious efficiency, amounting almost to brutality in business, is all contrary to nature. We've gotten to the pitch where a small craftsman whose only wish is to do an honest job cannot live decently. In such a vicious, unnatural time many people are deprived of opportunity.

The advertisements ask for young men to go into these organizations promising that at the end of their career there will be a comfortable pension, he said. Think of a young man looking forward to a pension! And

what a swindle it is, considering how much the currency will have depreciated when he reaches the age of sixty-five.

Capitalists of late years have been taking foolish steps, the speaker ventured. They've laid the plans for Communists to take over. Labor union members in Britain were brought up on radical socialism and they're soaked in it, with the result that England has as much socialism as it can carry, "if we had any more we'd be broken down."

Speaking of education he said there were many varieties and it was very intensified. However in adult education there was, as in the U.S., little interest in citizenship, but more pre-occupation with leisure pursuits. During the last century people were having a hard time, with restrictions on almost everything. England was little better than a police state. When they got free ports the conditions were improved. Since then they've gone in for all kinds of gadgets and of course, automobiles on the installment plan, with, however, hardly any increase in the road service.

There is now a reaction that has come from a maximum of socialization. The intellectuals, seeing that the country doesn't want any more nationalization, want to modify it. The La-

bor party, Mr. Mitchell believes, is discredited and confused. Even the newspapers are now urging adoption of the Liberal party platform, to which this outspoken supporter is loyally committed, although he admits it is not "all that we would like."

Nobody dared mention the land question back in 1832, he recalled, and he wondered whether Henry George could have worked for reform against the Tories who later got into paternalism and "all the nonsense we have now." Free trade and open ports were maintained for nearly 70 years, he stated, then the war came and smashed everything.

"I believe there is time yet to put things right," Mr. Mitchell affirmed. He was cheered by the fact that lots of young men went into the campaigns last year as Liberal party members. They were the products of the Henry George School and fought a gallant fight in the elections. He was "full of hope that we can gather up the same spirit and desire for freedom that was used to liberate the slaves". With an assuring smile he concluded, "we've got to liberate the present slaves of their native land." So long as Britain can boast one orator with the strength and courage of Ashley Mitchell there can be little doubt that "there'll always be an England."

Appeal to the Heart As Well As the Mind

In speaking to people in general, we cannot rely too much on didactic logic. We must never forget that the heart plays a great part in forming opinions. Cold logic may reach a few people, but the great majority must first be convinced of the basic justice and fundamental morality of our cause. When we have laid this foundation then the thinkers can make the practical application which is so necessary to reach the ultimate goal. Even though the great majority of the people may never understand all the refined ramifications of our tax reform, they will follow as they have always done when they intuitively feel that the cause is just.

Henry George's proposal will bring about a more equitable distribution of wealth through the natural operation of economic laws, and as George Mason wrote, "The laws of nature are the laws of God."—John R. Fuchs

German "Single-Track Economics"

DURING the international conference in Hanover, Germany in 1959, Erich Zincke, translator of *Progress and Poverty* into German, said he heard about the services of the professional economists in American banks and businesses, whose interests were concerned with current production only. As a result it was the businessman who must look into the future and try to foresee the coming development.

Speaking at the closing banquet of the Henry George School conference in Detroit, Mr. Zincke said in Germany such economists are called "economics technicians," and he told of conversations with one of these who had just left the university. Questions as to whether land is a factor of production as distinguished from capital or wealth, seemed irrelevant to him. "In practice," the young man said, "land may be bought and sold and must therefore be regarded as a commodity or as capital or wealth—at least, as a value expressed in figures. Wages, too, must be expressed in figures. Thus the whole economic life is expressed in figures, curves, equations, etc. of different kinds. All the economic problems that occur in practice thus may be solved in a mathematical manner.

"Our task," he continued, "is not to improve the world, but to show how trade and commerce may be best-managed in our world as it is. All the questions Henry George touches are political or social problems in which we, from a professional point of view, are not interested. Most of us hate political questions and are not at all inclined to spend any brain power on

fruitless problems that touch only the fringe of our profession. Whether the political conditions—i.e., the present laws concerning the economy—are this way or that, our task is to carry through the most efficient management of said economy. That is why we call ourselves 'economics technicians.'"

The German coal industry is an example of how little one can rely on the advice of such technicians, where planning for the future is concerned.

After the reformation of the currency in Germany in 1948, the coal industry could boast of having the whole of the German energy potential in its hands. It was announced that the production would not suffice for all, furthermore coal had to be exported at a low price to certain countries and had to be replaced by large imports at a high price. The shortage continued and people were incredulous, because, after the inflation, everything else had become available again. Gradually private families followed the lead of smaller industries, and turned to gas or oil, though the change involved a considerable investment. New buildings with central heating were provided with oil heat, and as oil heat has many advantages over coal or coke, its use increased.

When, after the last election, the coal board raised the coal prices, the coal mounds began to grow. Nevertheless the process of substituting oil for coal did not stop. Perhaps this was inevitable, but the transition would have been a very slow one had it not been for the propaganda issued by the advisers of the coal board, whose advertising favored their own competitors. They have now made a belated

change in their propaganda, recommending coal as the only reasonable source of heat in Germany.

It may be that situations of this kind have been responsible for the increased number of articles appearing from time to time against "the one-track economists." If such criticisms continue the universities will be represented as "sinking down to the rank of special schools for the education of specialists." And this is a reproach no university would like to hear. Thus it seems certain, Mr. Zinke believed, that the study courses of economics will undergo a fundamental reform in the future. This means that classical authors, among them Henry George, will be read and appreciated again.

This change of opinion may also be seen in the treatment of the term "land," he predicted. In the long negotiations about the federal building law the German lawgivers consistently stuck to the idea that land cannot, like other commercial goods, be subjected to the rules of supply and demand—that on the contrary land ownership implies a duty towards society. It seems, he said, that the legislators and the West German government are succeeding in putting this concept across. The new federal building law contains, beside a lot of other measures, a graduated building-land tax, which, though it is not the general land value tax we aim at, lies in the direction we are trying to go.



CANADIAN COMMITTEE SUGGESTS TESTING LAND VALUE TAXATION IN THE PROVINCES

A committee of inquiry was appointed by the Royal Architectural Institute of Canada at its annual meeting in 1959. It was financed largely by the Central Mortgage and Housing Corporation, Canada's National Housing Authority. Since the war this corporation has financed and directed the erection of some 1,250,000 dwellings of various kinds. They are now seeking, through the establishment of this committee, to obtain valuable new information.

The committee has held open sessions in the larger cities across Canada and has investigated a wide range of subjects. Its members have also seen the report of the International Research Committee on Real Estate Taxation entitled "A Graphic Summary of Municipal Improvement and Finance: As Affected by the Untaxing of Improvement and the Taxation of Land Values," by H. Bronson Cowan.

While this committee claims it has no way of testing the claims made in the above Graphic Summary regarding the taxation of urban real property according to the valuation on the site only, without regard to the value of the structures and improvements, it is assumed possible that this may encourage building improvements and discourage both the retention of run-down buildings on valuable sites and the speculative holding of vacant sites, and that it may generally reduce the tax burden on residential areas by increasing it on central area uses.

The Committee of Inquiry reports that it is certain the Provinces can, at no great expense, ascertain for Canadian conditions the benefits or disadvantages of a general change from taxes levied on land and improvements to a system of real property tax on site values only. "The difference in these assessment methods clearly has great import for the quality of the huge residential areas we shall have to create and maintain in the years before us," concludes the report.



Government Power— Use and Abuse

by Glenn E. Hoover

GOVERNMENTS were first established to preserve domestic order and provide protection from alien enemies. These have continued to be the primary goal, but, unfortunately, little progress has been made in achieving them. When our tax payments are due and when we are compelled to serve in wars which we disapprove, we may wish that governments had never been invented. But in our calmer moments we will agree with Aristotle that man is a political animal, and that governments are unavoidable and grow out of the fundamental needs of mankind.

One popular misconception is that the scope of central control increases with advances in technology. Neither the collectivist nor the welfare state should be listed among the modern inventions, however. At the dawn of recorded history they were already very old. Nor is there any truth in the notion that "big government" is a new monster. The existence of state enterprises, wage and price controls, etc., are recorded on the clay tablets that preceded the age of paper.

The truth is that individual freedom has increased with every extension of the free-enterprise, free-market system, but the economies of the Western World are still hampered by many restrictions that are either futile or positively evil. The oldest and perhaps the most pernicious of these are

the trade barriers. All trade, both domestic and foreign, is essentially barter, and man is by nature a trading, bartering, buying and selling creature. Whence then, came the notion that a trade or sale, freely agreed to by individuals, one in country A and the other in country B, could be harmful to one or both of the countries?

But governmental powers are sometimes used to benefit misguided or selfish private interests. Such follies are never easily abandoned. The greatest of our national scandals, the farm program, illustrates this point. Before the government began to extend massive subsidies to farmers, both for growing crops and for not growing them, our farmers were the world's low-cost producers of many major crops, and consumers both here and abroad could buy them at reasonable prices.

When governmental power was used to restrict planting, and public funds were used to maintain prices at artificially high levels, we could no longer sell in world markets, and farm production abroad has been growing by leaps and bounds.

If the farmers were freed from restrictions on plantings our friends abroad would buy our products with dollars earned by selling us products of which they are the low-cost producers. We could then dismantle the

huge, bureaucratic apparatus made necessary by our government's experiment in the control of agricultural production. But we must expect that many of these bureaucrats will fight to retain their jobs, and some farmers would rather sell their products to the Treasury than find buyers in competitive markets. If this experiment had not cost us so many billions of dollars, it might have been continued indefinitely. But with the taxpayers' wrath at fever pitch, surely its days are numbered.

There is one power every state must use and that is the taxing power. While tax-paying can never be made as pleasurable as tax-spending, it would be less objectionable if law makers would observe a few simple rules. First, no tax should be levied which necessitates asking the individual taxpayer any questions whatever—not even his name.

For example, the gasoline tax is easily collected from the motorist who pays it, I will not say gladly, but certainly with fewer homicidal tendencies than if he believed the one who followed him would pay a smaller tax per gallon because he could show that his net income was lower, or that he had more dependents.

In making this point, however, I am not approving sales taxes, for no taxes should be levied on sales, income, or the products of labor, until governments first take for their support, the site value of land. The case for site-value taxation rests on two premises, the first of which is that the

site-value of land is a socially created value. This is an economic premise, so simple that its truth should be evident to any man of common sense if he will but ponder it briefly. The second premise is that socially created values should be taken by society and used for public purposes. The justice of this should be evident to all—schooled or un-schooled, who, in the simplest of cases, can distinguish between right and wrong. And yet, neither the truth of the first premise nor the justice of the second has been generally accepted.

Proposals for the extension of state powers reveal the temperamental differences that divide us, although there is, verily, no new thing under the sun. Some of us will confess that whenever confronted with a proposed extension of governmental power our judgment will be influenced by a biased devotion to individual freedom. We may accept restrictions on that freedom, but the burden of proof must be borne by those who would restrict it. Perhaps our bias is shared by all who dread the concentration of economic power, and who, with prophetic vision, see all mankind enjoying free-market economies and living peacefully together in a free-trading world.

For those who share that bias, I would hope that they retain it, and strive to develop it among their fellows. That is the task, as I understand it, to which the Henry George School, now operating in various cities in the USA and Canada, is dedicated.

COMMON SENSE AND THE ATOMIC AGE

William E. Clement, author of the recent book *Winston Churchill's Anti-Depression Proposal*, has prepared a 21-page pamphlet entitled "A Thomas Paine 'Common Sense' Answer to the 'Violence' Problem." This is a new economic approach to a program of creative action dealing with the atomic age. Readers may receive a copy by writing to the author, William E. Clement, 818 Hibernia Bank Building, New Orleans 12, Louisiana, and enclosing 10 cents to cover mailing costs.

The Pennsylvania Story

The following statements were made by Percy R. Williams, Executive Secretary of the Henry George Foundation, with headquarters in Pittsburgh, at a conference held in Detroit in July, 1960:

THE immediate future is of vital interest to all Georgists and I am convinced that we have paved the way for a great opportunity if we will only seize it.

"With the current we may glide fast and far," said Henry George, and if we can find a current flowing in our direction, perhaps we may discover a road to victory. We have indeed had some victories in Pennsylvania over a period of years, and the latest advance was made as recently as November of 1959, when we obtained another very desirable amendment to our third class city act.

What our movement needs above all else is a demonstration of land value taxation in practical operation in some American city. It seems impossible to win on any wide scale until we succeed in proving the advantages of land value taxation by actual experience. The demonstration will be effective if even one city gives our proposition a full and fair trial, and the first city selected for this experiment may indeed count itself fortunate.

It is to be hoped that some public officials will provide leadership, but it is not to be expected that they will undertake the sweeping program of tax reform we propose without having at least a very substantial number of people who are in full sympathy with the undertaking. Such a group would serve as something of a guarantee that when the plan was adopted by council, it would not soon, if ever, be repealed.

It is important to understand the difference between the act of 1913 and that of 1951 as revised in 1959.

In 1913, under the administration of Republican Governor John K. Tener, the state legislature passed the Graded Tax law (which gradually shifted a very substantial part of the municipal tax burden from buildings to land). It applied only to the second class cities of Pittsburgh and Scranton, and became known as the Pittsburgh tax plan. This favorable legislation (which was mandatory) resulted from a long and active educational campaign carried on by the early Georgists in a manner that was both aggressive and skillful. They were mostly young business and professional men (many of them lawyers) active in Democratic, Republican and independent political circles. But at no time was land value taxation made a partisan issue.

The act of 1951 is a home rule or local option measure and resulted from another period of intensive effort. It gave our 47 third class cities the right to adopt a system of land value taxation but did not follow the pattern of the second class city act which requires that at all times the building tax rate shall be no more and no less than exactly half the rate levied on land. The new optional act leaves the fixing of rates entirely to the city councils, and requires only that land and building valuations be separately assessed and reported to the councils for their guidance in adopting a budget and the necessary revenue measures to provide the funds needed.

This act was passed by an overwhelming majority of the state legislators in both houses despite the fact that not a single third class city had actively sought its passage. The initiative came largely from single tax advo-

cates in Pittsburgh, such as State Senator Bernard B. McGinnis, so it is easy to understand why there was no rush on the part of third class city councils to adopt it. They knew little or nothing about it in advance and the fact had to be brought to their attention that a new opportunity had been opened to them. However in two cities, Easton and Clairton, the mayors were very friendly and promptly joined in the effort to interest their councils.

David L. Lawrence, the only man ever elected to a third term of four years as mayor of Pittsburgh, and later to a fourth term, is a practical and successful politician and a charter member of the Henry George Foundation. In November, 1958, he was elected Governor of Pennsylvania, so it was he who signed the second McGinnis act, an amendment to the third class city code of 1951, also sponsored by this Senator.

The new act of 1959 will give city officials much greater freedom and will permit the complete shifting of municipal taxes from improvements to land values should any city, through its council, so decide. It stipulates that "higher rates may be levied on land if the respective rates on land and buildings are so fixed as not to constitute a greater levy in the aggregate" than the real estate levy that is now authorized in cities of the third class.

The strong endorsement of the Graded Tax law by Governor Law-

rence has recently received attention in California and Michigan, where land value tax measures are pending. It is also encouraging to note that over the years, and more frequently of late, inquiries and comments concerning it have increased. Delegations from time to time move into Pittsburgh to observe operation of its urban redevelopment program and to study the incentives offered for industrial development.

Since the enactment of the original third class city act in 1951, Dr. Harry Gunnison Brown, author of a number of works on economics, has addressed numerous clubs and other organizations in the state under auspices of the Henry George Foundation. He now plans to devote his entire time to lecturing and writing in that area, following his retirement from a distinguished career as educator in the University of Missouri. I have addressed three annual conventions of the League of Cities in York, Easton and Reading, and have attended a number of city council meetings.

The Economic Education League sponsored a valuable survey in the City of Bethlehem, and in Easton, Professor George Sause of Lafayette College made a similar survey in cooperation with the Henry George Foundation. All efforts at creating an informed public opinion are useful and all have their place in the long, patient city recovery program.

"Our Opportunity in Pennsylvania"—a report by Harry Gunnison Brown, who, with Mrs. Brown, has freely offered his services to the Henry George Foundation.

TODAY there seems to be more hope of influencing public opinion and legislation in our direction than there has been for decades. There have been increasing signs of editorial interest and even support for our proposal, especially as it relates to slum clearance.

In Pennsylvania we now have the most forward-looking legislation on tax policy that we have had in almost two generations, and in more ways than one it presents opportunities for us to make our case understood.

First, people are impressed when they learn that their own legislature

has endorsed the plan; and the fact that the necessary steps for implementing it are simple and easy to understand makes citizens more interested and ready to listen to us.

Secondly, this particular legislation is calculated to appeal to many property owners because it does not contemplate increasing the total taxation imposed on real estate. Instead it enables third class cities to increase taxation on land and reduce, even abolish, taxation of buildings.

The experience in various Australian and New Zealand cities has shown that property owners are sometimes overwhelmingly favorable to such a revision. This may therefore be the way for us to make a successful beginning in a truly fundamental reform.

Furthermore, we have the reassuring example in Australasia, of an increase in building and industry in general, when land value taxation is adopted. Surely this experience insures confidence that if two or three cities, or perhaps only one, can be persuaded to demonstrate such an increase, others can be induced to follow.

This legislation makes possible the introduction of the new tax system in one limited area at a time. Hence it offers an excellent chance of persuading an owner of vacant land that his long-run loss from the change will be slight, or even that he may reap a substantial gain.

By starting in a single small city in Pennsylvania, we can call the attention of a vacant lot owner to the fact that taking taxes off real estate improvements will at once increase the net return which he can enjoy from any improvements he may make. We can also call attention to the probability that most people in surrounding areas which have so far shown no interest in making such a change in tax policy, do not understand this. He may,



therefore, be able to borrow from them at as low an interest charge as previously, investing what he thus borrows in making the new improvements (buildings, etc.) on his land. Thus he can make money for himself with the money he has borrowed from others. Owners of land which, though not vacant, is nevertheless underimproved, can do likewise.

We can also remind him that cities which adopt this sort of tax reform usually grow more rapidly than others, and there is likely to be an increased demand in his city for dwellings and other buildings. We can remind him too, that if his city does *not* adopt land value taxation, and most others in the same general area do adopt it, there will be a distinct tendency for industry—and, therefore, labor—to go elsewhere. His city may then grow little if at all, and perhaps lose some of the industry and population it already has. In that case, his persistent holding of a vacant lot or lots will gain him nothing. And for him to borrow from outside, where improvements (buildings, etc.) are *not* taxed, and use the borrowed money for the construction of buildings in his own city where improvements *are* taxed, will probably be a losing proposition—*not* a gainful one.

The Economic Education League with headquarters in Albany, New York, is a Georgist organization working in cooperation with the Henry George Foundation. Gilbert M. Tucker is its president. Under its auspices W. Wylie Young was engaged to help promote the program of the above foundation. He reported on his efforts at the conference sponsored by the Henry George Foundation in Detroit.

REFERRING to the law in Pennsylvania giving legislative approval for any or all of the forty-seven cities of the third class to shift all or part of the municipal taxes from buildings to land value, W. Wylie Young called it "one of the most exciting developments in the Georgist movement." He told delegates to the recent conference how he selected Franklin, Pennsylvania as a likely city and simply moved in with a general campaign of citizen education. Six months ago no one in Franklin had ever heard of land value taxation. Now, says Mr. Young, there are hundreds who know about it, and a large segment has read extensively on the subject.

He said he began by talking to important individuals. One of the obstacles that hinder effective communication elsewhere has been happily removed in Pennsylvania. In other places many people will say "so, what can anybody do about it?" Now the answer is "get your city council to adopt the Graded Tax Plan and all sorts of things will begin to happen." With a law at his disposal Mr. Young said he got immediate listener response. Since responsible legislators in Harrisburg had authorized the law this took the issue out of the ivory tower class of theorizing and laid the matter squarely on the table for immediate consideration. After having tried to sell land value taxation to people for many years and having been met with the arched eyebrows of suspicion, he

agreed with Dr. Brown that having a law already in effect made a big difference.

Mr. Young has been in Franklin for six months. He has won the support of leaders in the local Chamber of Commerce, has had a sympathetic hearing from all city officials, and is about to enter upon a new stage of the campaign in which he will distribute circulars in quantity to all home owners and business leaders. He has also held seminars, written a series of letters to 400 business and professional leaders, participated in radio broadcasts, and distributed much printed matter. Local newspapers have featured reports of his work on numerous occasions.

Other towns in Western Pennsylvania are beginning to show interest. Sharon is making preparations for a trial of the plan. The mayor of Meadville is very sympathetic. A study of the plan is under way in Oil City. These are projects that have been opened up cooperatively as Mr. Young has worked with the Henry George Foundation and the Graded Tax League of Pennsylvania. Dr. Harry Gunnison Brown has engaged in a "softening-up process" as he has gone from one town to another on speaking engagements.

Mr. Young reported that there were days when he despaired of ever winning the battle. These were always followed by "breaks in the wall" which gave renewed hope.



Book Reviews

THE ECONOMIC POINT OF VIEW, by Israel M. Kirzner, Foreword by Ludwig Von Mises, D. Van Nostrand Co., Inc., Princeton, New Jersey, 1960, \$5.50.

The author won a prize essay contest a few years ago, offered to graduate students at New York University, on Henry George's applicability to today's problems. He criticized George on two points that seem to me inconsistent—first, that the rent of land would be insufficient for today's governmental budgets; and second, that the single tax would make government too powerful!

No matter; Israel Kirzner has since written this book in which Henry George comes in for little mention, not unfavorably. He has received his Ph.D. and became an assistant professor of economics at New York University.

The purpose of the book is to take a look at the way economists have approached their subject matter, what they have conceived is its central purpose, what they say "economics" is all about. Various economists have emphasized different aspects—the "science of avarice," the mechanics of the market place, the hedonistic motive, the social nature of the study, the common weal, the study of choices. Classical economics dealt with *wealth*, and Henry George hewed to this line, predicting chaos in the field when he noticed that the science of wealth was being abandoned.

Recent concepts of economics have strayed even further from wealth. The most popular modern definition is probably that of Lionel Robbins, who called economics "the science which

studies human behavior as a relationship between ends and scarce means which have alternate uses." Kirzner closes with the "praxeological" view of Ludwig von Mises. In this view, economics is the science of *all* human action, meaning action initiated to achieve a given purpose.

In following this rarefied discussion, I kept wondering what had happened to the science of wealth. Isn't there anything left of the production, distribution and exchange of wealth?

I do not see much promise in this armchair sport of making up new definitions of economics. Some "economist" dreams up a new "science of economics" and writes a book about it—proving that everything else can be squeezed into his definition. Nobody really bothers much to work out the bland details implied in this new definition when there is more interesting and exciting work to be done—namely, making up another definition.

Why, I'm stimulated to play the game myself. How's this: "Economics is the study of the order in which desires are satisfied." Or this: "Economics is the study of the way in which people relate to one another in pursuing individual goals." Let's have done with it and get back to "the science of the nature of wealth and the laws governing its production and distribution."

—Robert Clancy

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EPISTEMOLOGICAL PROBLEMS OF ECONOMICS, by Ludwig Von Mises, D. Van Nostrand Co. Inc., Princeton, New Jersey, \$5.50.

This book is a collection of essays devoted largely to the discussion and criticism of the writings of other economic authors. In his Preface to the English Language Edition, Professor Von Mises admits that many of the authors he discusses are little known to the American public, but he claims

that their doctrines are not different from those taught by the American or "other foreign" authors. Foreign refers here to anybody not thinking or writing in the German language.

Some of the essays ignore the fundamental economic concepts and laws of human nature. They deal with values but fail to explain their basic meaning and economic function. Irrespective of the doctrines, the reader will find that these writings differ from those better known to Americans because of a lack of objectivity. A high academic level is maintained as one would expect in a writer of Dr. Von Mises' standing, but few definite conclusions are reached.

Such influential writers as Smith, Ricardo and George are hardly men-

tioned. Henry George is quoted at one point in connection with "the law of population" but out of its context the meaning of the quotation becomes completely distorted.

At the outset the author states the factors of production very correctly, but does not elaborate on them. It might be assumed that he credits the reader with being familiar with the law of production, etc. Toward the end of the volume he expresses himself quite explicitly in favor of free trade. These and a number of minor passages leave little doubt that Professor Von Mises is well acquainted with Henry George's views even though he does not mention him by name.

—Curt J. Dreifuss

New Bookshop at Melbourne Headquarters

Melbourne, Australia sends a report not only of a new course in Fundamental Economics, the first to be conducted by the School of Social Science, 18 George Parade, Melbourne for many years, but they also send word of refurbished and modernized headquarters.

The Henry George Club owns two shops with street frontage which have been let out to other tenants. Recently one became vacant and this has been transformed into a library and bookshop, with impressive window space for the display of literature and information on the new activities of the Social Science School.

The continuance of this experiment depends on whether the shop can be staffed by volunteers who have retired and who will be able to attend one day a week to the library and to sales. The improve-

ment to the shop has already had an exhilarating effect on the school and the club, furthermore the Melbourne City Council has recently installed modern street lights which have changed a formerly dingy street into a bright thoroughfare.

Frank Eyles is the man most consistently responsible for the improvements, and he is serving in an honorary capacity until June, when it is hoped other voluntary helpers will come forward.

We read of all this in Progress, the Australian Journal edited by A. R. Hutchinson of Melbourne, who writes that the movement there has made great advances in the practical application of the principles for which we stand. Many are writing regularly to the press in an effort to educate and form public opinion. "We'll soon find we are moving mountains," he said.



To the Editor:

In his interesting discussion of value, Mr. Johannsen fails (June HGN) to reach bed rock. George's entire theory of value is implicit in the axiom that men seek to satisfy their desires with the least effort. The effort they seek thus to "save," is the effort of productive labor required to bring into being the objects of their desires. It is surprising that Mr. Johannsen could quote the adage without seeing that he was introducing into the argument the very factor of labor which he formally intends to exclude from it.

A loose and colloquial way of putting Henry George's logic of valuation is to say that people strive to make their money go as far as it will in purchasing the articles they need and desire. Or again, it is to say that when we lay out the wages of our labor we consult not only the scope of our desires but also the scope of our purse.

It cannot be doubted that an object nobody wants is an object that can have no value. What is in dispute is that the extent of the desire determines the magnitude of the value. Value is settled when human desire negotiates a treaty with human reluctance to labor.

I must compliment Mr. Johannson for his sturdy formulation of the view that the prices of goods are determined by what consumers are willing to pay and not by labor and other costs. In a day when the superstition is nearly universal that high prices (inflation) are due to the extortionate demands of union labor—a view condoned even in the pages of HGN—it is heartening to hear a strong voice come out in favor of common sense.

ROBERT SCHLEY
Portland, Oregon

To the Editor:

In the July HGN Urquhart Adams states that land is nationalized and is, "after a fashion," common property in the Soviet Union, and that because there is no land speculation the Soviets are "successful."

Land is not common property in Russia, for property implies rights—the people of Russia do not have equal rights to the use of land. How can they when there is no competition?

The inference is that anything that will do away with land speculation must be a step forward for us. Speculation in land is an effect of progress and results when equal rights to the use of the earth are denied. Non-progressive countries do not have depressions and of course have no land speculation.

The Soviets are not successful! *Directed* cooperation will never achieve success except in an army or similar type of organization (See *Science of Political Economy*, by Henry George). In the U.S. we have a certain degree of *spontaneous* cooperation and that is why we are more successful than the Soviets.

SANFORD FARKAS
Boston, Massachusetts

To the Editor:

As a great admirer of Thomas Paine I always deplored the ingratitude of our people towards the man who masterminded the Revolution and founded the Republic. While we never cease to honor and praise the founding fathers, this man, who did more than all the others put together, has been shamefully forgotten. Even Georgists, who have more reason than most to recognize him, have failed to do so. I am therefore thankful for Mr. Johannsen's article on "Agrarian Justice" (July HGN).

GASTON HAXO
St. Petersburg, Florida

Ladislo N. Romulo



Ladislo N. Romulo died suddenly in Manila, at the age of 52, and with his death is lost to loyal Philippine Georgists, one of their most beloved friends and a vital link with Philippine labor.

Mr. Romulo was an attorney and was president of many labor unions whose combined membership covers practically the entire Philippines.

Because of his intensive work in the labor field he had little time for Georgist activities, but it was with his help and encouragement that the Henry George Club was organized, and he became its chairman to lend to it whatever strength and inspiration he could. Nito Doria, who wrote of this newly formed club in the June 1958 HGN, was its executive secretary.

"During the tenure of his office Mr. Romulo was an abiding inspiration to us," wrote one of the club members, "a man who believed sincerely in the economic philosophy of Henry George and who dedicated himself to the task of enlightenment."

September Specials at N. Y. Headquarters

The Deputy Secretary of the People's National Party from Jamaica, West Indies, Mr. S. O. Veitch, will be the guest speaker at a dinner and meeting at the Henry George School for faculty members and friends on September 14th at 6 p. m. Jamaica has adopted land value taxation and is now in the process of applying it. Mr. Veitch will give a first-hand report on the progress made and the problems encountered. This is for everybody who thinks "it isn't being tried anywhere." It is! Please reserve in advance for the \$2 dinner. The talk will begin about 7:30 p. m.

Joseph A. Stockman, director of the Henry George School in Philadelphia, will be the speaker on September 7th at 5:30 p. m., when an informal meeting will be held around the Henry George Tree in Central Park (South of the Mall). Following Mr. Stockman's talk on "Seed, Bud, Blossom, Fruit," there will be dinner (a la carte) at the Henry George School, just a few short blocks away, and after that the completion exercises for New York summer term graduates.

The Henry George School was featured in a full-page picture story in the New York Sunday News of August 28.