

the Henry George News

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Progress and Poverty *Today*

by HOWARD PFLANZER



PROGRESS AND POVERTY was written by Henry George eighty years ago when business and industry were growing rapidly. He proposed a theory to combat the persistent poverty caused by the slow growth rate of our economy, the crippling depressions and unemployment. In the light of the threat to our capitalist system by the proponents of communism, his ideas have taken on a new significance.

One of the essential differences between George and other economists is that he distinguishes between land and capital, whereas most economists use the terms interchangeably thus distorting their true meaning. Capital is wealth used to produce more wealth or wealth in the course of exchange. The earth exclusive of man and his products is George's definition of land. Only wealth that is invested or used in commerce is *capital*. Wealth is divided into three parts—rent, wages and interest.

As population rises there is a corresponding increase in the demand

for land. The margin of production falls. As this happens rent goes up, adversely affecting labor and capital. Inventions and increased efficiency enable the worker to produce more. This in turn makes the desire for land greater, and rent increases because of the fall of the margin. If wages increase many small business men will close shop and go to work for a wage, causing owners of capital to lower their interest rates to encourage business loans. At this time many workers will go into their own business. Thus an equilibrium between wages and interest is maintained. On the other hand, rent increases at the expense of interest and wages, because unlike the products of labor, land is in limited supply.

An idea put forth by George that has great importance today, is that what most increases land value and therefore rent, is the growth in pop-

(Continued on page 15)

A Word With You

I WONDER if it would ever be possible to establish the Rule of Reason in human affairs. Reason is the best instrument man has for solving problems, so why shouldn't it be used at all times? Instead, it is used so seldom that you'd think man had found something better. But he hasn't!

Reason evidently requires a qualitative effort that most people shun most of the time. It shouldn't seem like too difficult a task to quietly pursue a logically connected series of thoughts. But rather than undergo this mild business, people will suffer and whine, commit acts of violence, and go on wasting their substance and their lives.

Suppose we could set things up in such a way that the still, small voice of reason would not be drowned out, as it is in the world today. Every utterance, every proposal, every deed would have to pass the test of reasonableness. What a difference that would make!

But first there are numerous pitfalls that would have to be overcome.

First, we would have to abolish the Rule of Rant, wherein he is the winner who interrupts the most and raves the loudest and longest. According to the Rule of Reason, every sentence uttered would be analyzed and the speaker (or rant-er) would be held accountable.

Another pitfall to overcome is the great bogey of Face Saving. More counterfeit reasoning is done to serve this false idol than perhaps for any other motive. The way to overcome this is to let it be known that reason is impersonal, that a person's dignity and honor are not at stake when we are probing, that all questions are permissible but none are accusations.

Still another booby-trap is The Group. Belonging to a clique, cult or caste frequently has a damaging effect on the quest for reasonableness. The pack must run together, and that stifles independent thinking. This is a tough problem, for no one likes to risk the displeasure of his "gang." The remedy (after all, we are imagining the ideal setup) is to only form associations that can hold together in the face of reason, and to grant everyone the independence to pursue reason to its utmost limits. The only penalty should be that everyone must be subjected to the reasonable discussion of others.

You may contend that I am asking for the impossible. But if it is possible for me to conceive it, then it is possible. If you don't like my reasoning, I'd be glad to discuss it with you—under the conditions outlined above!

—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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Land and the State

by OSCAR B. JOHANSEN

THE problem which confronts man in the field of the social sciences has two facets. The first one is that he lives in a world of unequal opportunities with equal claimants to them, but as two things cannot occupy the same place at the same time, two men cannot utilize the same opportunities simultaneously. Therefore, man must devise some means of dividing them up with justice to all. Henry George gave to the world the solution of this problem when he pointed out that this could be accomplished by collecting the economic rent of land. However, that solution contains the other facet of the problem since in order for society to collect the economic rent it must set up an agency for this purpose. This is the State.

While it may appear that there is no particular danger in setting up a State, the fact is that, because of the nature of man, he may create something which will cause more harm than good, for the reason that man seeks to satisfy his desires with the least effort. Inasmuch as stealing is one of the easiest ways to gratify one's desires, man is constantly tempted to indulge in theft. This propensity is curbed somewhat by his innate sense of right and wrong which makes him reluctant to steal outright. However, if some vehicle is at hand which will enable him to steal without his realizing it is stealing, or without it being apparent that it is theft, man will, consciously or unconsciously, tend to utilize it to exploit his fellow man.

In setting up the State he is in grave danger of creating this vehicle.

Of course, historically no State was ever formed for the express purpose of collecting economic rent, probably because the problem was never recognized. But, States have arisen, nonetheless, and, whatever may have been the reason for their origin, once established it has been generally assumed that their primary function is that of protection of life and property.

This is the justification for the State having a monopoly on the power of coercion. The possession of this power causes it to be the cynosure of men who desire to improve their economic status without working, and, in effect, it does the stealing for men, but the thievery is covered up by all kinds of rationalizations. The excuse may be that a "natural" monopoly exists, as in the distribution of electrical energy, and the State is asked to prevent competition on the grounds of convenience. The excuse may be that the weaker members of society need welfare. The rationalizations may be plausible or may be as absurd as that which justifies human slavery on the grounds that the slaves are little better than animals. But, whatever the excuse, fundamentally men are merely living up to that ingrained principle of seeking to satisfy their desires with the least effort, and stealing is one of the easiest ways to do that.

Of course, this fact is not lost on Georgists, but unfortunately too

many of them assume that once men are educated to the necessity for the communal collection of economic rent and it is instituted, things will be different. They assume that it will bring in its train reforms which will eliminate all the functions which the State has usurped with only the collection and disbursement of economic rent; and incidental protection duties remaining.

However, there is no reason to assume that man will be different merely because economic rent is collected. He will still seek to satisfy his desires with the least effort, and that being the case he will tend to utilize the State to do his stealing for him whenever he wishes to avoid working. That this appears to be true is evident by what is happening in the oil-rich Middle East. There, the Arabian states collect huge oil royalties. These royalties really constitute economic rent, and, while they do not get it all, they get a major portion of it which share is periodically being increased. This has not proved to be a boon to the people. Although in some countries a little of the rent indirectly benefits the people through various services, as roads and hospitals, most of the money is merely dissipated in the riotous living of the sheiks. Worse than that, this very money is used to hire mercenaries in order for the sheiks to maintain their privileged position and keep the people in a condition of servitude. Instead of involuntary poverty and unemployment being eliminated, it is generally worse than it is in many countries which collect relatively little economic rent.

What this all means is that Georgists must recognize that these two facets—the communal collection of economic rent, and the State—are probably of equal importance. For Georgists to put too much stress on the rent problem as "the answer" is just as erroneous as it is for the libertarians to put too much stress on the reduction of the State as "the answer." Men are always seeking pills to solve their problems—medical, social or economic, but there are no panaceas. Henry George stated that his proposal was no panacea, but, if one did exist, it was freedom.

This leads to the conclusion which any careful student of Henry George must recognize—that while involuntary poverty, unemployment and depressions cannot be eliminated unless the land is made freely, available to all through the collection of economic rent, it is important that the collectivity which does the collecting is directly answerable to the people. It will probably have to be the unit which is just above the family level, that is, the town, because the lessons of history testify that it is doubtful if man is capable of just government much above that level.

It does not mean that even if George's ideas are carried out in this manner Utopia will at last have been achieved. However, it would appear that under such conditions men would have the greatest opportunity to utilize their capabilities to the fullest. Having real freedom to attain their highest potentials, the probabilities are great that men will be peaceful and attain the greatest degree of happiness of which they are capable.

"The absence of a land tax encouraged speculation in land by large operators."

—From *The New Deal in Old Rome* by H. J. Haskell

Don't Envy the Farmers!

THE summer vacation period is ended and farm folks have enjoyed the friends and relatives who came for short visits in "the wide open spaces." As usual a question we were frequently asked by city vacationers was "what about the farm program?"

Actually it would be more accurate to speak of "programs," but most people think of the price support and production control program when they ask this, probably because it gets a great deal of publicity. Occasionally some individualistic farmer makes headlines when he is stubborn enough to fight a penalty for overplanting, or when someone boasts of buying a Cadillac with money he got for not planting corn. The idea of government in farming, however, is not new. It may have started shortly after the country was established. The homestead laws providing free homesteads were passed during the Civil War, and free seeds were distributed by Congressmen many years ago.

It is natural to assume that the fantastic rise in farmland prices is related to the price support programs. This is not an unmixed blessing to the farmers, although they are capitalizing the value of subsidies, sometimes letting the land lie fallow for a season. This improvement in the land eventually adds to the selling price. I was discussing the sale of a nearby forty acres with a retired well-driller recently. He never finished high school, but he grasped a fact the economists often

miss. He took issue with those who claimed the \$547 an acre paid for land was much too high, and pointed out that a farmer he knew was getting \$47 an acre for letting corn land lay idle. Even allowing \$7 for extras and incidentals, this, he said, still left 5 per cent on \$800 per acre, or \$40.

No one is likely to deny that the price supports contribute to the higher land prices, and this is discussed in the 1958 Yearbook of Agriculture entitled "Land," by Frank H. Maier, who stated: "When a program is expected to continue into the future, the right to receive future benefits is a valuable right in the form of an acreage allotment that is transferred from one individual to another as a tie-in with the sale of farmland. When such farmland is sold, its selling price will probably be somewhat higher than it would otherwise have been, so as to include at least some part of the expected future benefits."

This, I think, makes it quite clear that those in the best position to benefit from farm programs are the owners of the land, who thus own a good share of the allotments, grants and various subsidies involved. Almost 100 per cent of government "services" are somehow capitalized into the price of land, or value of land. The price then, is this value, less the capitalized value of any land value tax. That is why, to me, the land value tax is most just—it simply collects for public revenue the value that public activities create.

The high prices, however, are making it difficult, or nearly impos-

by **WOODROW W. WILLIAMS**

sible, for a young farmer to own his own farm. In spite of statistics indicating the opposite, farm tenancy seems to be on the rise. While some 70 per cent of farmers are believed to own their farms, many own only from 40 to 100 acres (on which they may be paying a mortgage) and rent an additional one or two hundred acres. My guess is that fully half of the land that is farmed is farmed by tenants, or persons who do not own the land they farm.

Furthermore, as regards the largesse supposed to be forthcoming in rural areas, it is perhaps not fully realized that often the farmers do not get full benefits, or at least not permanently. The Rural Electrification Administration, for instance, is a loan agency from which local farm cooperatives borrow money at low interest for construction of rural lines. Obviously it was a red-letter day in many farm homes when they could hook up to central station electrical power. But since this makes country living pleasanter, it has helped to push the price of land upward. Since most farm electric co-ops get their power wholesale from the established electric utilities, much of the benefit accrued to the utilities, as well as to suppliers of electrical appliances.

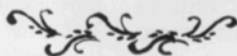
A few years ago agricultural

limestone interests distributed a letter to farmers in Ohio urging them to write to Senator Lausche asking him to change his stand on the soil conservation program. It is from this source that farmers are paid part of the expense of such soil conserving practices as seeding legumes, strip cropping, planting windbreaks and applying lime to the soil. Senator Lausche had voted to reduce the funds for this program. The limestone companies wanted more money allotted, quite possibly with the thought that farmers might then buy more lime.

The Kiplinger Agricultural Letter for May 13, 1961 took issue with Farm Bureau's Charles Schuman, who had denounced the omnibus farm bill before the House committee on agriculture, then holding hearings on the bill. Apparently the Kiplinger people were interested in a little more money for the farmers, anticipating, no doubt, an improved market for the goods made by some of their clients.

Thus while there are many groups who frown on "too much government in farming," they like to think of a few more dollars jingling in the farmers' pockets. After all, the farm population provides a big market for steel, rubber, oil and many other commodities.

Woodrow W. Williams learned in the U.S. Navy to become a radio operator and now has amateur license W8WEG. He lives on a farm in Ohio and has been interested in Henry George work since 1936 (Active since 1953).



The 1962 Annual Conference of the Henry George School will be held in PITTSBURGH instead of TORONTO, as previously announced. The time will be mid-July. Watch for details in later issues of HGN.

Creative Georgism

WILBUR JOHNSON lives on South Wabash Avenue in Chicago, U.S.A. He is a cook who has been employed by the Baltimore and Ohio Railroad Dining Car Company for the past 32 years. In his own words he represents "that great mass of people who seem never to find the time, patience, curiosity, interest, money, energy or aptitude to seek the truth or the voice to tell the truth, . . . those families where everyone but the dog is working in order to survive in a decent manner."

His time is so limited that he cannot make the contacts with people that he would like to make, in order to tell them about Henry George. So he decided that if he could not find the time to talk he would write. And that is how "The Needle" was born.

The Needle is a mimeographed letter which he gives away free. He started using newsboys to distribute the copies but found it was better to deliver them himself so he could become acquainted with the people.

The cost is about \$12 a page per 1000 copies, and as there are about 1000 families in his neighborhood he orders just enough for that area. That, he says, solves his correspondence problem. People sometimes come for additional copies to take to work or give to friends. On the last issue it seemed desirable for him to identify himself as a member of the community so he included his street address. The result was that he had to order an additional 500 to fill requests. What significance this had he says he does not know, but he seems "to

have become quite popular all of a sudden."

Mr. Johnson has no regular publication date but writes whenever he gets an inspiration. He says he tries to find the current discussion, problem or neighborhood issue and fit it in with an analysis of economic justice.

In Chicago, where there are a number of community improvement organizations, he raises the question "who determines the current community project?" When the members follow his suggestions he points out that it is no one-man-show, and what he has to offer will benefit the whole community instead of the whims of any small group. Since every community project calls for funds he urges people to find out how to make the funds available. He hopes to get a competition started between block clubs or whole community areas based on the ability of the members to understand what they read (economics, of course, says he).

Anyone who wishes may copy any of Mr. Johnson's material and modify it to suit the characteristics of any other community. He is now adopting a program of self-criticism in which he intends to get a lot of pointed remarks across, relating to his shortcomings and those of his neighbors, all in the interest of economic enlightenment.

In the September 20th Needle he dreamed up the term "symbolic logic," explaining it as an objective, accurate and scientific method of reasoning bringing order out of the chaos of conflicting opinions, just as Robert's Rules of Order and Procedures establish precedents

for conducting meetings. "Symbolic logic," he wrote, "has enabled The Needle to apply the methods of exact science to an analysis of our poorly functioning economic system."

His amused comment on this some weeks later was, "I frighten my more intellectual neighbors when I mention symbolic logic. It is amazing how this reduces opposition to George's theories—what was a stumbling block is now smooth sailing."

The \$500 Wager

Perhaps the most surprising activity in this one-man publishing venture is a wager which permits anyone to pick his own three judges and still qualify for a \$500 wager offered by Mr. Johnson. All the winner has to do is to disprove "that the only permanent scientifically correct solution to the problem of involuntary poverty is that proposed by Henry George in the economic classic *Progress and Poverty*."

This, says the author and publisher who has shown unique individuality in his approach, "has played an important part in popularizing The Needle." He is also now writing a column called The Needle in a community bi-monthly newspaper with a circulation of 5000. "I don't consider this too bad for just three issues of my newsletter," says Mr. Johnson. And this modest comment is certainly an under-statement. He says he would advise every Georgist to try a similar project and would be glad to

assist if possible and if he can find time.

In each issue of his letter he refers interested citizens to the Institute for Economic Inquiry (formerly the Henry George School) 236 North Clark Street, who will provide discussion group leaders for any study group of ten or more. With the September first Needle he included a condensed version of *Progress and Poverty*.*

This interesting and successful operation proves, certainly to the satisfaction of all, that the avenues of creativity are still open, even to persons of limited economic means. The very fact that readers and inquirers can be numbered in the thousands in so short a space of time should be a spur to anyone casting about for an individual means of expression. This would seem to be an excellent undertaking for one or more retired persons, possibly working together in a closely knit unit. Perhaps the fact that it is being deliberately and specifically addressed to the surrounding neighborhood offers the clue for its quick acceptance. What we need to do, undoubtedly, when working independently and alone, is to limit our attempted influence to a reasonable area. This can later be enlarged and extended as a response is felt, and it's less discouraging than our efforts to reform the nation or the world.

* This is the "super condensed" version of *Progress and Poverty* (10 pages) by Professor James L. Bussey of the University of Colorado, available from Robert Schalkenbach Foundation, New York, at 15 cents a copy.

"The French make the single tax more logical and more elegant, but it is still the single tax, it will not impose itself, it is not of this order of conceptions which impose themselves. You will see, multiple taxation will be one of the chief instruments by which humanity gladly imposes on itself the slavery of the state."

—Rebecca West in *The Fountain Overflows*

Mary Rawson's Faith

It was a delightful surprise to find the identity of Mary Rawson, Canadian executive committee member of the International Union for Land Value Taxation and Free Trade, revealed in "Faith of a Town Planner," in the October Land & Liberty published in London.

Yes, as we all suspected, she read *Progress and Poverty*. When in college she bought it in an old book shop for 50 cents, because one of her professors "put in a good word for it." Her father, whom she regarded as "an old Tory" concurred that "Henry George was right about the land tax," but she writes that "the full beauty and usefulness of the land tax as the best means to the end did not strike me at once."

"A book like *Progress and Poverty* opens up the mind," she states. "To have one conception of the world disturbed and changed makes you wonder how many other undisturbed misconceptions, or pre-judgments, are still lying in your mind precasting your opinions. *Progress and Poverty* is a book that fires the imagination, that awakens and frees the mind. I suppose this is what makes it a great book."

While farm values are measured by the acre, it is in urban areas, where it is measured by the square foot, that tremendous values accrue, yet scarcely a trickle of this goes into the public treasury. She records ironically that in Canada income derived from land sale and speculation is "often classified as a 'windfall' which is altogether free of tax."

Insofar as the urban problem is a land problem, Miss Rawson says that "no single tool is so little appreciated yet so full of import as the taxation of land values." She feels she can do no more valuable work than to speak for this reform.

It is significant that the forthright convictions of this modest writer have already been published, quoted and lauded on two continents. Her success will undoubtedly open the way for others, hitherto reluctant, to speak out for the same reform. Thus we rediscover the validity of Henry George's well-known statement about truth.



—Cartoon by Bill Gwin, from The Taxpayer's Digest, Portland, Oregon

Noah D. Alper's Brief Cases

TAXATION AND RELIEF IN THE U.S.A.

Mrs. Elna Sawicki, a divorcee in the mid-thirties, with ten children (nine at home), won a \$4,000 free swimming pool. This raised the equity of her property above the allowable limit of \$7,500 and caused the loss of her monthly A.D.C. (Aid to Dependent Children) payment of \$129. Fortunately, states the AP item from a St. Paul newspaper, "she is still eligible for about \$250 in direct relief."

These brief details indicate how the business of government has grown. What is needed is to mass the unorganized marginal people, now too utterly unimportant as a voting power, into one that must be noticed by politicians. All marginal dentists and doctors, nurses, shoe polishers, business executives, and marginalites of every kind everywhere will be eligible. Then let them demand, "what's good for farmers, depressed areas, and dependent children, is good for us!" Then we'll know just how good all this is for man and country.

YES, LEAD THEM INTO TEMPTATION

"Road Appraiser Resigns After Disclosure of Deals in Land," read a headline in The St. Louis Post-Dispatch of October 7, 1961. A suit for \$5,000 profit involved in a real estate transaction revealed that the "road appraiser" had been using information and a real estate business owned by him and his wife to convert such information into profits.

This may be considered as just one example of what is involved in making and improving millions of miles of roads in the United States. Case after case has reached the newspapers. The real "graft" due to professional developers and their projected or established road-improvement maps, involving unknown political and engineering tipsters, runs into many millions, perhaps billions. But should we be irate over this? It's the obvious result of our system, a marvel of inevitable corruption, within the law and outside the law.

By failing to collect for public use the publicly earned rental value of land we advertise to all the possibility of profits in the path of public improvements, and by permitting a tax structure which falls basically, directly or indirectly, on the wages-and-interest rewards of human effort, we encourage a tax shifting from land value to non-land value which increases further the net income and the price of land.

THE SALMON WAR IN NORWAY

"Poachers' men lounge casually around the dock in Larvick where the police boats are moored," states a news dispatch from Norway. In a matter of minutes they are warned by private police officers employed by the landowners along the river who sell fishing rights from their land at substantial prices.

Although it's against the law to catch salmon in their annual trek upriver, the local population at Larvik regards the nightly engagements between poachers and private police as a kind of free entertainment for the warm summer evenings. They stroll along the river banks or sit in groups around bonfires, applauding the heroes (the poachers), and booing the villains (the private police).

Successful poachers could make as much as \$210 a week last summer, according to the report, and with that kind of reward in view, and with the moral support of the local citizens, they were not likely to be put off by a few confiscated nets and occasional fines. "The fight probably will go on as long as there are salmon in the river, and as long as the price of salmon stays as high as it is," the reporter noted.

Anyone who understands how to apply a land rent charge to locations suitable for salmon catching knows that poachers could be put out of business, and poaching could be stopped, even the poaching of land rent by landlords—and all to the profit of the people of Norway and all consumers of salmon.

READERS CLIPPINGS

"He'd Revise Taxes to Fight the Slums," was a large headline in the Chicago Daily News introducing a long letter by Marvin S. Saillard of Aurora. "If all the land in Chicago were assessed and taxed according to its market value, it would be economically infeasible for anyone to keep slum property," wrote Mr. Saillard in his letter to the editor which was prominently featured.

"In New York and other cities a considerable class of the newly rich is growing bigger and richer," wrote Raymond Moley in his syndicated newspaper column. "These are the speculators who are the modern counterparts of the great rich landed families of yore.

"Through lack of imagination and intelligence in the laws governing land taxes and the administrative process of assessments, it has come to be more profitable to hold land out of use than to build . . . While this country is rich enough to help almost everybody, it cannot in conscience provide for those who amass wealth without production and who live through legalized exploitation of those who do produce."

Harlan Trott reported in the September 27th Christian Science Monitor, an address by James P. Gallagher, associate editor of House & Home, before members of the California Savings and Loan League, pointing out that land costs have more than tripled since World War II. Examples cited were, in San Francisco, \$580,000 paid for a tract offered for \$15,000 in 1948, and the Santa Ana air base which brought

\$19,000 an acre a short time ago; the government paid as little as \$350 an acre for the land in 1942.

Mr. Gallagher was concerned that, because the cost of land has outstripped technological savings made by the industry, it is the land speculator who reaps the benefit in his land prices of all schools, roads, shopping centers, libraries and other public improvements, while the public must stop buying new houses on land that has increased in price faster than has their ability to pay for it.

The speaker urged the league to enlist the aid of public officials and the housing industry to "seriously consider whether tax laws are encouraging land speculation and price inflation" and if so how they could be changed.

Land, which is one-third of our total national wealth, he said, carried less than 5 per cent of the total tax load. He praised the recent study by Mary Rawson, an independent Canadian consultant, entitled "Property Taxation and Urban Development," pointing out three important advantages which would take place if taxes were shifted from buildings to land—with a tax on the potential use of the land, based on its location, instead of its actual use. "Nobody in the home building industry who is concerned with new ideas in the use of residential land," he said, "should be without Miss Rawson's report. [This is available from the Urban Land Institute, 1200 18th St., N.W., Washington, D.C., at \$4. See also page 9.]

The Dayton Daily News echoes the warning in editorials written, we believe, by a member of the board of directors of the Robert Schalkenbach Foundation, whose article in HGN last month attracted wide attention.

The case was given of the purchase of land for a new high school in Ohio. "The citizens were amazed and shaken," we read, "when a Zenia jury fixed worth of land at more than double the value of good residential property. A first offer of \$1,000 an acre was upped to \$1,350 an acre, plus \$24,500 in damages to one of the county's more productive small stock farm operations.

"When land that was worth \$750 an acre in 1958 and \$1,000 an acre in 1960 soars to over \$2,000 an acre in 1961, the rate of escalation is clearly abnormal . . . many acres soon to be needed for public uses are rocketing beyond the reach of the public purse."

An editorial, probably by the same author, discussing unemployment and automation, reminds readers that the economic system is out of kilter because of the land problem. "Easy access to America's vast unused land would prevent anybody from going hungry. The laborer each year is having a tougher time acquiring such productive land. This is the unanswered — almost the unasked — part of today's unemployment problem."

"I could send ten times the number of these clippings as shenanigans

continue apace," wrote Mrs. Leoane Anderson, director of the Denver Henry George School extension. A page clipped from the Rocky Mountain Cervis Journal reports a multi-million dollar 150-acre industrial park taking shape north of the Denver County line. The land, formerly hog farms, is "a precious commodity," with prices starting between 40 and 50 cents a square foot, or about \$20,000 an acre (this will include utilities). The hog farmers got between \$2 and \$3 thousand an acre.

"It was natural to expect the metropolitan area to expand southeastward onto agricultural land, once water became available," is a comment in another paper referring to purchase of a 338-acre tract for more than \$1 million as a new housing development on "the hottest real estate in the Denver area."

A former high school parking lot comprising a 29 acre plot of state land was sold to the successful bidder at \$401,500 — a price \$54,500 higher than the minimum established by the land board. An observer noticing that the two bidders conferred during recesses, raised the question of collusion. The commissioner said there was no rule against recesses enabling bidders to consult with financial backers.

CATHOLIC PEACE PRIZE AWARDED TO MONSIGNOR LIGUTTI

Monsignor Luigi G. Ligutti, whose name and fame have stood as references for us on many occasions and many class announcements; long known for his brilliant international role with the Food and Agriculture Organization of the United Nations, was awarded the Catholic Peace Prize by the Catholic Association for International Peace at Washington, D.C. on October 28th. Previous winners of the annual award include Robert Murphy, former Deputy Under Secretary of State, and the late Thomas E. Murray of the Atomic Energy Commission.

The Monsignor is now stationed in Rome as permanent observer for the Vatican with the FAO. The Henry George School knew him *when* he was (as he continues to be) director of the National Catholic Rural Life Conference with headquarters in Des Moines, Iowa. He was once overheard to remark that he read The Henry George News, and left his copies behind on planes on some of his numerous journeys.

The Peace Prize couldn't go to a nicer person!



I wish to register my very great pleasure that you published the excellent article, "Correctives that Unite," by Walt Rybeck (October). Mr. Rybeck very clearly perceives the proper relationship between followers of the thinking of Henry George on the one hand, and the so-called "liberals" and "conservatives" on the other.

The modern-day "liberals" began with a deep concern for human welfare and rights, but they have become so enamored of big government, and so unconscious of the age-old problem of tyranny, that today they have little in common with Georgists.

The so-called "conservatives" of today, as Mr. Rybeck points out, are disturbed over big government and heavy taxation; but are almost utterly without social conscience, have no fear of the dangers of private monopolism, and have no understanding whatever of the tidal wave of social revolution that is sweeping our times.

Mr. Rybeck did an excellent job of making these points clear, and I hope his article will discourage Georgists from undertaking disruptive and unjustified flirtations with elements that would have no sympathy with basic proposals of Henry George.

JAMES L. BUSEY
Boulder, Colorado

[Walt Rybeck has recently been transferred to Washington, D.C. as correspondent for The Dayton Daily News, and, with his wife and two children, has taken up residence at Silver Springs, Maryland. This is an honor which becomes him and which we all applaud. It will redound to the credit of his newspaper.]

Robert Major's "Mother and Teacher" in the October issue was the most provocative article you have printed in a long time. Congratulations.

FRED B. JACKSON
Washington, D.C.

The article by Mr. Lurio in September was fine. I wish we had more people in the Henry George movement who would interest themselves with the techniques of L.V.T. There is such a great need for working out the details. Discussions such as this are a good answer to people saying that L.V.T. is impractical.

E. S. HANSCH
Portland, Oregon

There is uneasiness here over the tax and money business, and a real crash is bound to come unless enough people wake up to put things right and abolish debt and taxes at once. I was pleased to see the "Word With You" in the October HGN. Yes, phoniness has us down in the dumps.

C. L. MORRISON
Edmonton, Alberta

Our government is running into debt at a rate unprecedented in peacetime. This of course means more inflation than ever. A few weeks ago my wife regaled me with a list of eleven articles which she had bought during the last few days, and which had gone up in price since she last bought them. Since then I have noted at least as many more price increases. I am wondering how much longer a young man will be able to tell his girl friend she looks like a million dollars without getting his face slapped.

ERNEST FARMER
Toronto, Ontario

The Henry George School in the News

TORONTO classes are in session five evenings a week in five YMCA's in Toronto and five neighboring cities. The fee, which includes textbooks, lesson sheets and supplementary materials, is \$29 for 28 sessions. By special arrangement, this fee also covers basic membership in most of the Y's. As in the more common ten-lesson courses, there is no examination, but a diploma is awarded on completion.

The Toronto school is also offering special Commerce and Industry courses through the personnel departments of large companies, consisting of ten lessons with a \$10 fee. These are similar to the Executive Round-Table Economics Study Course developed in Chicago.

Associations and clubs interested in current affairs are invited to take advantage of discussion courses in Elementary Economics. Here the fee is only \$5 for ten lessons. The ideal size suggested for a group is between eight and fifteen people. Emphasis is placed on improving ability to think logically and to discuss news events intelligently and intelligibly.

GREAT FALLS is being treated to generous offerings of the film "Land — and Space to Grow," as Russel Conklin makes it available on every possible occasion. In one group, he recalls that two CPA's and one revenue agent were present.

While attending a CPA convention in Missoula, home of Montana State University, he spoke at a breakfast meeting of the Congressional Action Committee of the Missoula Chamber of Commerce. As he is now so well known for his interest in tax reform, we do not need to be told what subject he discussed. On the evening of the same day he ad-

ressed another meeting and again showed the above mentioned film, produced by the Robert Schalkenbach Foundation.

Classes in Fundamental Economics began on October 2nd.

SAN DIEGO'S Henry George House is the scene of much activity. Among classes now meeting there is one advanced group studying *Science of Political Economy* under the direction of Gordon Gran.

In an article in the October HGN by the director of the San Diego extension, Dr. Robert V. Andelson on The "Practical" Approach, he speaks of traditional free enterprise (page 12) as only half an ideology. The remainder of the sentence should have read: where there is no equality of opportunity, to prate of freedom is a mockery.

DETROIT has lost one of its staunch workers and enthusiastic speakers, Don S. Miller, who died in August at age 77. He was, before his retirement, Dean of the College of Liberal Arts at Wayne University.

NEW YORK headquarters has been deluged with thousands of inquiries from Central and South America for the correspondence course in Fundamental Economics now being offered in Spanish. More on this next month.

The Friday Evenings at Eight will offer color films on November 3rd and 7th, and on November 10th, a discussion of "New Horizons in Hypnosis and Autosuggestion" by Joseph Lampl. The only December program will be on Friday, December first, when Mr. and Mrs. Joseph Jespersen will show slides of Belgium, France, Holland and Germany. Mr. Jespersen is an instructor at the school and a helpful member of the volunteer translating staff.

"Progress and Poverty" Today

(Continued from page 1)

ulation and the corresponding increase in business and trade. He proposed a basic remedy for the problems accompanying industrial progress, namely to "make land common property" by abolishing "all taxation save that upon land values." This is based on the idea that all men have an equal right to use of the land for productive enterprises.

Since the time when Henry George promulgated his theory, economic progress has gone forward at a rapid tempo. However, many evils concomitant with industrial expansion eighty years ago are with us today. We have larger slum areas, recurrent depressions, a tangle of taxation problems and the threat of communism. Money is being spent to build new housing in some areas while others are rapidly turning into slums. Federal subsidies will continue to be wasted until we remedy the basic cause of slums.

Under our present tax system many landlords neglect repairs so the value of their houses will decrease and therefore their assessment will fall. They then hold the land for speculative purposes. If an owner of a group of slum tenements decides to build new housing he is faced with the problem of taxation. His new structures will be evaluated at a higher price and thus his property improvements tax will rise.

In essence the solution to this problem is simple. Property taxes should gradually be shifted from buildings on the land to the land itself. The land will be taxed at its true value while buildings and other improvements will not be taxed at all. Today land is underassessed by a large percentage while buildings are assessed at a high rate. Idle land, or land with rundown struc-

tures on it, held for speculative purposes, is taxed at a low rate, causing a land shortage. A tax on the value of land alone would make development more profitable, and constructive building and repairs would result.

An allied problem and one broader in nature is concerned with the disturbing and destructive effects of land speculators on our general economy. They do not make their profit on any improvement in conditions they have inaugurated, but through the [anticipated] demand for land.

The only answer lies in the appropriation of economic rent, unless we wish to follow the socialistic pattern. The land [value] tax will free large areas of land from the control of speculators. Capital and labor will have a wealth of land, both mineral bearing and with manufacturing potential, open to them when the need arises. This tax will make others unnecessary so that corporate and personal income taxes will gradually be abolished, as the tax on land value fills their place, and without the burden of taxation on production manufacturers will produce at a greater rate.

Depressions, thought by the majority of our economists to be an inherent fault of our capitalist economy, will be eliminated with the abolition of speculation in land. Our economy will prosper because of our own unlimited desire for manufactures and the growing market in the underdeveloped nations of the world. Producers freed from restrictions will carry on manufacturing more efficiently and at a lower price to meet the competition of the other industrial nations of the world.

Monopolies, the bane of the consumer in highly developed capitalist countries, will disintegrate rapidly when the tax is applied only to

Howard Pfanzer, now a pre-medical student at City College, New York, was the winner of the \$100 prize offered by Mrs. Ezra Cohen in memory of her husband who was, until his death, vice president of the Henry George School. The award will be presented by Mrs. Cohen at the school's next completion exercise in December.

Mr. Pfanzer was one of 30 members of the high school students' class taught at headquarters last summer by William Jocher. Completion of this course was a requirement for those wishing to compete in the contest. Henry George influenced his thinking, the award winner says, for he can see definitely how these ideas can be related to slum clearance and many other projects for the benefit of the people.

This is an abbreviated version of the essay which included a detailed explanation of the wages-fund theory and the components of wealth. "Federal spending," he wrote, "is only a stopgap measure causing other economic ills."

land values. For example, large steel companies will not be able to pay the high tax rate on the unused iron bearing lands that they are holding for the future and thus they will have to divert themselves of a large part of their speculative holdings. Under these conditions, smaller steel producers will have a more equal chance to obtain iron bearing lands for their own manufacturing purposes.

Though our present economy is considered to be capitalistic, a sizeable portion, contrary to our desire, is socialistic. To discover this we need only to compare the state of our society with basic principles set

down by Marx for a socialistic organization—we have a heavy progressive income tax, a central bank, and state controlled monopolies.

Price setting by the government on commodities like cotton, wheat and corn is an established practice, and the free market place has been virtually abolished through the imposition of extensive controls. Unwittingly we are destroying the capitalist system with ever increasing governmental control. The institution of restrictive taxation stands out as the death-dealing offender.

If we made land "common property," not through the confiscation of the land but through the expropriation of rent in the form of a tax on the value of the land, we could enable our society to return to a truly free enterprise system.

The Georgist system of collecting rent for governmental purposes and loosening the restrictions on private enterprise is a direct answer to the threat of socialism here and communism abroad. People working on their own initiative in a free economy achieve greater progress than in a strictly controlled one.

If George's theory is adopted, our economy will become the model for all nations. Capitalism will be ascendant and not crushed by the extension of the Communist system. We Americans will show progressiveness, economic efficiency, devotion to liberty, and productiveness that will increase our stature in the eyes of other nations.

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