

the Henry George News

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ROBERT C. BOWERS

BOTH the Henry George School and the Henry George Foundation have sustained a great loss in the passing of Robert C. Bowers, who died October 27th after a very brief illness. It is, indeed, a shock to his many friends and admirers and especially to those in his home city of Pittsburgh, with whom he had worked so closely and so effectively for so many years in seeking to advance the cause of freedom and justice, in theory and in practice.

A native of York, Pennsylvania, where for a short time he was engaged as a newspaper reporter, he came to Pittsburgh for studies at the Carnegie Institute of Technology, and upon graduation, took up the profession of architecture. He was the senior member of the firm of Bowers and Barbalat; a member of the American Institute of Architects and also of the Pennsylvania Society of Architects; and of other civic and fraternal organizations.

It was nearly thirty years ago that Bob Bowers became interested in the philosophy of Henry George by reading *Progress and Poverty* in the days of the great depression, and just about the time of the founding of the Henry George School of Social Science in

New York. And when the Pittsburgh extension was organized in 1934, he at once became active and ever since had been one of the principal members of the faculty. In the period between 1934 and 1936 the Henry George School in Pittsburgh achieved strong momentum under his leadership, and enrolled many students. The graduates of his classes included a number who have remained very loyal and influential workers in the cause.

In the municipal election of 1933, Mr. Bowers was among those who identified themselves with William N. McNair, the Democratic nominee for Mayor, and when the latter assumed the office of Mayor, he served consecutively as a member of the City Board of Assessors and later as Director of Supplies until the Mayor's resignation.

Bob Bowers was always an ardent crusader and gave unstintingly of himself as a volunteer teacher and director of the Pittsburgh extension, and also in the support of the campaign in Pennsylvania for the practical application of land value taxation. At the Philadelphia conference of the Henry George Foundation in September, 1949, he was elected a member of the Board of Trustees and later

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A Word With You

LEO TOLSTOY for the first half of his life enjoyed a career as a great and successful writer, a broad-minded aristocrat who did good deeds, and a happy family man. This busy and useful life was interrupted by a spiritual crisis which caused Tolstoy to doubt the value of all he had done. He felt deeply that all his good deeds, all his works of genius, all his happiness, were not soundly based. It was not enough, not enough for the true purpose of human life—the fatherhood of God and the brotherhood of man.

Tolstoy's agony was paralleled by the agony of his homeland, Russia. For while Russia in the late nineteenth century was moving forward as a civilized nation, there was deep trouble within. Serfdom had been abolished, age-old cruelties were being moderated, industrialization was beginning, there was an intellectual ferment. But it was not enough, not enough! These ameliorations were taking place on top of a system which still permitted privileged classes to live off the rest of the people. The improvements were not enough to stave off a revolution which rocked the world, which Tolstoy foresaw, and which to this day poses the world's number one problem.

Tolstoy felt that nothing less than a profound, fundamental reorienting of his personal life would do. He also

realized that a similarly far-reaching reorientation was needed for his country. His probing led him to Henry George, whose ideas he accepted wholeheartedly. It was not enough for a do-good aristocrat to be kind to his peasants—the rights of all men to the land had to be asserted! Failing this, there could only be catastrophe.

Let us remember Tolstoy and Russia when we hear about all the improvements that are supposed to be taking place in our economic life. Technology keeps adding new inventions, there appears to be more leisure time, all sorts of great new projects are being hatched. Not enough, not enough! Meanwhile, automation is feared by workers more than the atom bomb, urban decay is spreading and the countryside is dying, and much of our economy is based upon preparations for a war that is impossible to imagine. Our progress and improvements are not soundly based.

There have been ameliorations before in history, on top of an unjust system. Conditions were improving in ancient Rome before her fall, also in France as well as Russia before their revolutions. In the U.S. the lot of the slave was improving before the Civil War. Let us heed the warning of Henry George: *Unless its foundations be laid in justice, the social structure cannot stand.*

—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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50 Years in the Georgist Movement

by GASTON HAXO

MY association with the Georgist movement began under fortuitous circumstances in New York City one July night in 1912. Having recently immigrated to the U.S. from France, I was on my way home, earlier than usual, about 9 P.M., walking east on 125th Street. As I crossed Seventh Avenue, I noticed a meeting was being held and as I was in no hurry I decided to see what it was about.

"The Earth For All," said the banner dangling from a pole attached to a small platform. The speaker was answering questions. "How do you propose to raise wages?" The answer astounded me. The only way I knew to get higher wages was to ask the boss for a raise, failing which, to look for a better job—but to *tax land!* Who would have thought of that? Yet it made sense once you heard it explained; and so did his other answers bearing on rents and the cost of living.

When the meeting broke up I went home with a distinct feeling that something had happened to me and I wanted to hear more. The following week I was there early and learned a lot more; the pieces of the puzzle began to fall into place and the overall picture began to appear. Only one point remained to be cleared up; would one have to buy the land and then pay rent instead of taxes? I was afraid to ask the question, but before leaving I bought the five cent pamphlet which an old lady was passing around, "The Story of my Dictatorship."



Back in my room I began reading and after a few pages I had my answer: The land would have no selling value, it would all be free. That did it, I had discovered a new world. The few hours left of the night when I finally let go of that pamphlet and went to bed, were devoted mostly to propounding my new philosophy to imaginary audiences until, like the dictator in the story, I dozed off. How I ever got to work on time that day is beyond me. The following Wednesday I joined the Land Value Tax party.

The first thing I had learned was that another group of single taxers held meetings at the same spot Friday nights. They have no use for the party, I was told; they preach the single tax throughout the year, but on election day, their only chance to vote for it, they vote for something else. I was shocked, nevertheless, my curiosity being aroused, Friday night found me at the corner to have a look at those Tammany Hall single taxers. It was a splendid meeting and I was thrilled. Whatever antagonism I might have developed towards them vanished completely, out of party loyalty. At the close of the meeting I spoke to a young man who sold me a copy of *Progress and Poverty* urging me to attend their Sunday evening meetings at their 42nd Street headquarters. I did, and became a member of the

Manhattan Single Tax Club. Now I had my feet firmly planted in the two camps, I wasn't going to miss anything. A few weeks later the club held a banquet at Brighton Beach to honor Francis Neilson, then a member of the British Parliament. The large hall filled with enthusiastic guests, plus the wonderful speeches, gave me my biggest thrill.

About this time the presidential campaign got under way—the big three: Wilson for the Democrats; Taft for the Republicans; Teddy Roosevelt for the Progressives (Bull Moose Party) and in the minor league; Socialist, Socialist Labor, and last but not least the Land Value Tax party. Since we were not on the official ballot our circulars, with platform and candidates urged the voters to write in the names.

As is usually the case in such organizations, as ours, all the tedious work rested on the shoulders of a few. When Jerome C. Reis, our most active member, went back to Philadelphia and when the founder and leader, Joseph F. Darling, died, the party died with him.

But the idea was not dead by any means. Back in his home town, Jerry Reis contacted all the single taxers in and around Philadelphia and the Single Tax party of Pennsylvania was organized. In the 1915 mayoralty election they got on the ballot by petition with a full ticket. The returns were good, much better than expected. When the news reached New York, Antonio Bastida suggested to me that we visit them some Sunday. We did and were given a grand reception at their headquarters. What we saw and heard that day positively electrified us. A meeting was called soon afterward—if Philadelphia could do this, so could we. With headquarters on 14th Street near Eighth Avenue the land party of New York was launched.

While we were busy building our

Georgists are known for being long-lived, but not many today can boast of fifty years in the movement as can the redoubtable Gaston Haxo. This, his golden anniversary survey, modestly refrains from mentioning that he is the author of *The Philosophy of Freedom*, published in 1941. This book has been described as the best summation of *Progress and Poverty* ever done, and it is hoped that it will be republished soon. Mr. Haxo is celebrating his 75th birthday on December 2nd.

new party in the summer of 1916, the California single taxers, led by Luke North, started their "Great Adventure" campaign and succeeded in placing a Single Tax amendment on the ballot by initiative petition. The real estate interests all over California were scared stiff and put up a terrific and costly battle. They beat the amendment but the vote in favor was 260,000. In the spring of 1917 Luke North came East and a "Great Adventure" conference was held in Atlantic City on April 13-15. The Philadelphia delegation was there with bells on. We of New York hoped to recruit members for our party. It was a memorable event. Tony Bastida made his appeal at one of the sessions, I made mine at the banquet.

The Manhattan Single Tax Club was having internal troubles. The night James R. Brown was elected President after a very stormy session, the opposition resigned in a body and walked out; as a result the party enrolled some new members.

In May, 1916 we began to make our plans for the coming mayoralty election. Jim Robinson and Jerry Reis who had come from Philadelphia to give us a hand, prevailed upon us to change our name to conform to theirs. Several thousand signatures were required to get on the ballot by petition. All summer we held outdoor meetings and canvassed for signatures. We did a lot of talking and walking, but we got them. The Single Tax party

of New York was on the ballot. It was the first time a single taxer had run for Mayor in New York City since Henry George himself had run for that office twenty years before. To commemorate the event we all assembled at Greenwood cemetery where, with appropriate ceremony, George Wallace our mayoralty candidate laid a wreath on Henry George's grave.

I do not recall that we ever found out how many votes we received, but to us the important thing was the propaganda value of the campaign and the satisfaction of being able to vote for the single tax. It was for me a momentous occasion; not only was I the candidate for the office of President of the Borough of Manhattan, but I had become a U.S. citizen and this was my first vote anywhere.

The following year a state convention was held at Albany in July. About twenty of us went up on the Hudson River night boat. We gathered on the poop deck for an impromptu meeting, and needless to say we had an audience. Joe Newman was engaged in conversation on the deck by a passenger who asked: "Is this your entire party?" It being dark Joe did not have to keep a straight face as he replied, "No, just the committee on arrangements." The nominees were Joseph Dana Miller and Antonio Bastida for Governor and Lieutenant Governor, respectively.

On our next campaign in 1919 we ran Joseph Dana Miller for President of the Board of Aldermen. He polled 3016 votes, not enough to elect him but enough to throw the election to La Guardia.

In 1920 the National Single Tax party held its convention in Chicago and picked Robert Macauley of Pennsylvania and R. C. Barnum of Ohio to head the ticket. I was now a resident of New Jersey and ran for the State Senate in Monmouth County.

Before the presidential election in

1924 our convention was held at our New York headquarters. The name was changed to The Commonwealth Land party and the standard bearers were William J. Wallace of New Jersey and John C. Lincoln of Ohio. In New Jersey George White and I ran for members of the Assembly for Monmouth County. This 1924 campaign was the last notable achievement of the party. It struggled along until the crash of 1929.

Having again taken up residence in New York in 1928, I was on hand to participate in the founding of the Henry George School in 1932 and to help keep it going when Oscar Geiger died in 1934. When Frank Chodorov became director in 1937 I gave up my Wall Street job to join the staff as bookkeeper, cashier and head of the newly organized correspondence course, as well as class teacher whenever needed. I was most happy in my work and it was with great reluctance that I gave it up to go overseas after Pearl Harbor in 1941. Upon my return to the United States I went back to Wall Street until I retired in 1958 to settle in Florida.

I have often wondered how different my life might have been had not fate brought me to 125th Street and that Land Value Tax party meeting in 1912. I might be richer today in worldly goods, but when I think how the truth has enriched my soul; and when I think of the many wonderful friends I made and the joy of working with them for the greatest of causes; I bless that little inner voice which on that July night counselled me and listen to Jerry Reis telling how to raise wages and reduce rents.

My only regret is that our party movement did not survive, but I hope that some day it may be revived in some form, for only through political action can the principles of Henry George ever be enacted into law and it will never be too soon to begin.

Noah D. Alper's Brief Cases

ANCIENT PHILOSOPHY — WE ARE STRANGERS HERE

"You are in this world as strangers. Go north or south or east or west, and wherever you stop you will find a man to chase you away crying, 'This is mine.' And after you have gone through all the continents of the world, you will come back knowing that there is nowhere a poor bit of land where, as a matter of right, your wife can bring her firstborn, where you can rest after tilling the soil or where your children can bury your bones." (1834)

—From Sarvodaya, August 1962, an Indian publication

IF YOU THINK U.S. LAND IS HIGH, READ THIS

"Europeans and Latins Pour More Cash Into U.S. Land and Buildings," according to a headline in The Wall Street Journal of November 15th. It seems Europeans have discovered that even in the center of New York land is thirty to fifty per cent under comparable land values in many cities in Europe. This is confirmed by a correspondent in Italy, an expert observer, who wrote: Italy is now the worst example of unjust land speculation—the situation is positively frightening.

LAND FRAUDS — THEN AND NOW

From the Yazoo land frauds of Pre-Revolutionary days to those of today takes in a long stretch of years, but the cause remains the same. House & Home, in its November, 1962 issue, stated, "After years of talking about ways to curb con men who have invaded the mail-order sale of land, state and federal officials began mapping a nationwide counter-offensive."

"Their target is a mushrooming business: Land promoters reaped an estimated \$500 million last year in sales and \$10-down, \$10-a-month contracts, contends Attorney General Stanley Mosk of California. Acreage registered for sale in California has increased 30-fold in three years. Alarmed, Mosk invited officials from 29 states to San Francisco to probe the problem."

Ideas from "a clearing house to exchange information about lots-by-mail as a first step to control" came forth, also a new code for sales advertisements, but not included were the ideas of the 84-page article on Land in the August, 1960 House & Home on taxing of land values and exemption of improvements.

LAND ARTICLE READ INTO THE CONGRESSIONAL RECORD

The Hon. Thomas B. Curtis of St. Louis, because of the provocative and important nature of the article, asked unanimous consent to have read into The Congressional Record, an editorial review by Wolfgang Langewiesche of "Land Speculation and How to Stop It," taken from the July, 1962 issue of The Reader's Digest. In his introductory remarks to "The Importance of Good Property Tax Laws," Congressman Curtis said:

"Pointing to the harmful effects of the very rapid increase in land prices in recent years, the article makes clear that ample vacant and underused land still exists close to and even inside of our cities . . .

"Prying this land loose from the speculators would have several beneficial effects. It would stimulate our economically important housing industry and help curb the spread of suburban sprawl."

We could pry this land loose, said the Congressman, referring to the article, by "taxing land more heavily than improvements on the land," and "by changing certain regulations so that the profits gained by the sale of land are treated as income rather than taxed at the lower capital gains rates, as they are today."

(Reprints of this article from the July Reader's Digest are still available from the Henry George News. Prices are 5c each, six for 25c or thirty for \$1.)

Henry George's Ideas Today

The Ezra Cohen Memorial Prize of \$100 was offered for the second consecutive year to graduates of the summer high school class in Fundamental Economics. They were invited to compete on the subject "Henry George's Ideas Today." The prize was divided between two contestants, both from Long Island: Charles Zuckerman and Alan Hornstein. Their essays are abridged here.

by CHARLES ZUCKERMAN

TWENTY-FIVE years after his illuminating experience in Oakland, Henry George wrote "it came upon me that there was the reason of advancing poverty with advancing wealth. With the growth of population, land grows in value, and the men who work it must pay for the privilege." This idea was explained in *Progress and Poverty* a decade later.

George began his text by discussing the variants which determine what he calls "the law of rent." The amount of rent, we are told, is determined by the difference between the productivity of the land in question and the least productive land in use. This least productive land of which more can be had for the asking, is called by George the margin of production. Rent, to George, is payment for the permission to use land, not for anything done to assist production. Whereas labor and capital receive shares proportioned to their contribution to the final product, rent may be high where the land is poor and unproductive if poorer lands are in use, or nothing at all on fundamentally rich and productive land if there is land equally rich to be had.

The law of wages, which is essential for determining the cause of low wages and thus of poverty, was to be derived from this premise. Produce must equal rent plus wages plus interest. Since George conceived of capital as stored-up labor, interest may be conceived of as its wages—consequently tending to vary as wages do—since capital is in continuous pro-

duction. Thus wages vary inversely with rent and inasmuch as rent rises as a proportion of the product as the margin falls, and falls as it rises, wages must fall as the margin falls and rise as it rises. Here then is the reason why greater productive power may not mean increased wages. If the increase in productive power causes rent to increase, wages may fall as a proportion of the product and perhaps as a quantity.

Increased productive power increases the need for land without which production cannot go on. Rent, so long as increased production causes inferior lands to be used, tends to increase as a proportion of the total product and, in general, to gain the increase in production. This steady increase in rent caused by the steady advance in productive power and production induces land speculation which acts to lower wages as a quantity.

Land is not used as it is needed in an orderly progression from better to poorer lands. Instead, the seeker of land must go past the natural margin, and this land to which he gains access is now the actual margin. This abnormal lowering of the margin tends to lower wages still further. Land speculation, it may be added, is an inevitable result of increasing productive power so long as land is treated as private property. It is the cause of poverty and links this evil with productive progress.

Poverty, however, is caused not by the increase of rent, but by the diversion of rent into the hands of the few who own the land. Private ownership of land, then, which enables

the few to command the rent of land, is the cause of poverty, and since it is a human institution, a remediable one.

The obvious remedy is to "make land common property." At this point a question of justice arises. Is the private ownership of land unjust; is its common ownership just? George allows the correctness of his preceding analysis to be judged by this test. That such a great social evil as poverty is not caused by a great social injustice was unthinkable to him, and if his analysis were correct, private property in land must be unjust. The basis, in justice, of private property is the right of the individual to the product of his labor. There is no other reason which gives a man the right to call anything his own. But land, in the final analysis, is not the result of man's labor in any sense. How then can anyone rightfully own land? Rent, the share of the produce which is now given to the owner of land, rightfully belongs to those who produced it, the members of the community.

Admitting the expediency of the remedy, how is it to be applied? Since rent will provide most, if not all, of the necessary government revenue, such a program will enable the abolition of most and eventually all (rent continually increases) other taxation, thus ridding the nation of a check upon the use of its productive power. George's program, then, becomes the taxation of land values to the extent of taking rent, while abolishing all other taxes.

Speculation in land will end, since land will no longer have sale value. Great areas of supra-marginal land will be opened to production, causing wages to rise to a new basic level. More important, however, is the result of increased production caused by the abolition of repressive taxes and the use of superior lands. Such increases in production will increase

rent. But rent will be taken by the government, and as total production constantly grows, a greater and greater proportion of it will go to the government as taxes on land value. The result of constantly increasing government revenues used for the equal benefit of all will be to insure to each member of society a decent standard of living, though he work at society's most menial task. Such a society, George argues, will be more devoted to the higher pursuits of man.

Progress will not merely be an arithmetical progression; it will constantly accelerate, making of the life of man a fuller and more enjoyable thing. Such, in brief, is the society that George pictures growing out of his reform.

At this point, the natural question is whether or not George's reform can accomplish this in our own day. By writing of him as if he were purely an economist, his followers have caused his proposals to be classed with other limited and technical "solutions" in the minds of the people who have heard of George but have not studied his works carefully. The name of George evokes nothing but "Oh yes, the single-taxer." But George is more than the single-taxer economist. In *Progress and Poverty* he outlines nothing less than a utopia to be achieved by making the land common property, and it was on this basis that George made his striking appeal, sketching in the words and metaphors of the Christian tradition, the blissful result of uprooting the unjust system of private ownership of land. And it is only on this basis that George's ideas can be made relevant to today's situation. Man's desire for the perfect life is as unsatisfied today as it was in George's time, but it must first be appealed to. Georgism must stress its utopian side and make its appeal on that level if it is ever to see its ideas put into practice.

ALTHOUGH others have not always stated it as concisely as Henry George, the problem of explaining the existence of poverty in the midst of progress has been perplexing to economists from early times. George believed the solution lay in the equitable distribution of rent, along plans that he sketched, or at least suggested.

One of his definitions of rent is "that part of the produce which accrues to the owners of the land or other natural capabilities by virtue of their ownership." Land, also, by definition, includes "all natural materials, forces, and opportunities;" that is, anything provided by nature that is "untouched" by man. Rent, as here defined by George, includes quite a bit more than is included in the every day term.

George's reasoning regarding rent and its proper distribution is fairly clear to anyone having a knowledge of his basic axioms. To paraphrase him, man's basic right of ownership depends on the exertion of his labor, and he has not the right to labor for some advantage unless this advantage is afforded to others. As the monopoly of land, a fixed quantity, increases, more people are restrained from exerting their natural right to secure the results of their labor. This labor must be applied to the only workable resources that exist—the land. Those who hold land thus receive an unfair advantage. Those who speculate on land, waiting for high prices, in addition to gaining an unfair advantage, compound the error by forcing others, for the lack of land, into poverty. Therefore, George reasons, land should be made "common property."

By the phrase "common property" George did not mean the same thing as did the socialists. The socialist interpretation of "common property" is

that which belongs to everyone, affording to each, regardless of skill or merit, an equal share. The Georgist concept implies that land (a specifically defined object, not something vaguely called "property") belongs to everyone, and that those who are afforded the use of land must compensate the community for this otherwise unlawful monopoly. What use is made of the land is left to the individual; but whatever one may do, the fact remains that one has a right to use something that belongs to others, and must make appropriate compensation.

George suggests that there be a tax on land alone. This, he contended, is the only just tax as it takes away not what belongs to man as his just reward for labor exerted, but only that which is not exclusively his. One of his popular suggestions was the gradual increase of land tax (which, as has been pointed out, is not really a tax, but a "community collection of rent") concurrent with a decrease of all other taxes, which are, by George's reasoning, unjust. This system may be good, but in spite of George's convincing arguments, far from perfect. Too much faith seems to have been placed in the reasoning powers of ordinary mortal men.

Will not a community, in collecting rents and trying to satisfy everyone, turn into a monolithic power? Will all people work their hardest in George's ideal society, and if not, what can be done about the large percentage of those "left behind"? In the Georgian utopia will man be treated as a rational, predictable animal? Is the solution of what has developed into one of the biggest political problems to be found in merely economic ones?

The Georgist doctrine offers a hopeful suggestion rather than an ultimate solution. It is not perfect, but it may be the best solution now possible.

"Let Them Whistle," said Alice

ALICE called at the little cottage at the edge of the wood to visit with Father William and discuss with him some matters that perplexed her—matters having to do with the gold drain, foreign exchange, the value of the dollar and the need for austerity. Taking the chair offered by the old gentleman she settled herself comfortably and said, "lately the papers have been full of accounts about how gold is leaving the country and the danger implicit in the situation created by foreign competition in commerce and so on. It's all obscure to me—perhaps you could explain it?"

"I'm not an economist," Father William disclaimed. "Why don't you ask the Hatter or the Dormouse?"

"I don't like to ask the Hatter," she protested. "He's smart enough but he would rather win an argument than explain things so I can understand them. The Dormouse denies that he understands high finance. He says that if we had a proper system of taxation, gold and every other commodity would go where it was most needed and we wouldn't have to bother checking on it all the time. If we ran short of gold we'd just trade some stuff for it and that would be that. What do you think?"

"Let's look at it objectively. You have trade with foreign countries. Like any other trade, it consists of the exchange of commodities for commodities—with money as the medium used to effect the exchange. Now gold is the only medium accepted by all countries and so we could use it to make change, that is, to make up the difference if we buy abroad more than we sell abroad. And if we haven't any gold to buy with we have to quit buy-

ing abroad until we sell something abroad to pay for it. That's why we have to have gold, so we can import without exporting. If we haven't any gold it works the other way round."

"You mean," Alice asked, "that if we haven't any gold we can't import goods from abroad?"

"That's what I said," the old man answered testily, "don't you hear well?"

"I heard you all right, but according to what I've been reading, what you say doesn't make sense. We have to stop importing because we haven't any gold and the foreigners won't buy our goods. They think theirs is better. All right, then why not make our own?"

Father William had, with obvious effort, regained his composure. "Because the foreigners insist on flooding our markets with their products. So we have to have tariffs to stop them doing that."

"But why," asked Alice patiently, "do we have to have tariffs? If we haven't any gold to pay them with and if they wouldn't take our goods in exchange for theirs, we couldn't import and the whole business would stop. I can't see that tariffs would help any."

"As I think the Hatter once told you—that's why you're taking economics—so you can see these things. We have to have tariffs to keep from being flooded with foreign goods. Even if we haven't any money the foreigners keep on exporting the goods to us, and then we're in debt to them, and you know there's a maxim that the debtor is slave to the creditor. You don't want to be enslaved by a bunch of foreigners do you?"

"Certainly not. But couldn't we just repudiate the debts and make ourselves free again, and let them whistle for their money?"

by URQUHART ADAMS

"My word." Father William was shocked. "We can't do that. It wouldn't be honorable. A gentleman always pays his debts."

"I don't see anything honorable about foreign countries trying to enslave us by flooding our country with goods. If we tell them we haven't any gold and if they won't take our goods in payment for what they send us, then I say to heck with them. We don't need them anyway."

"Oh, but we do," Father William interposed. "We depend on foreign trade to build up our economy and make us strong to fight the cold war. We have to have markets so our people will be employed and not make trouble, and we have to buy the foreigners' goods to keep their people employed. If we stop taking their goods they'll be mad at us and won't help us if the cold war gets hot."

"Won't they be mad at us if we have tariffs?"

"It isn't likely because, after all, they know that every country has to protect itself from being inundated by floods of foreign goods. They have tariffs themselves, you know."

"I still think," Alice mused doggedly, "that if we just let things alone everything would straighten itself out."

When the gold was used up the foreigners would stop sending us goods if we were honest with them and told them that they needn't expect anything in return. If they want to get rid of their stuff and give it to us—that's their business. We could dump it in the river if we didn't want it. Or store it away in warehouses like agricultural surpluses."

"It's plain that you haven't a mind for high finance," said Father William caustically. "It's a man's business anyway and young women shouldn't try to compete in the abstruse aspects of economics. But I'll make some tea and we can talk of things not so controversial, like that Rembrandt that was bought by a New York museum for over half a million dollars. It must have been a pretty picture to fetch that much money."

"Pretty?" Alice set her cup down smartly. "What do you mean? I see *you* don't know much about values. It brought that much because of its physical attributes plus the scarcity of Rembrandts—supply and demand was operating in an affluent society. It's like the 1799 U.S. penny that was sold about the same time for \$10,000. I don't think anybody thought it was pretty. It was just scarce."

ELECTION RESULTS

In the November elections, a graduate of the Henry George School, Mark Southall, was elected to the New York State Assembly from the 12th Assembly District of Manhattan, on the Democratic ticket.

Thomas P. Gill of Hawaii was elected to the United States Congress. He advocates a Pittsburgh plan for Hawaii (tax land at a greater rate than improvements).

In California, a constitutional amendment which would have touched off a wave of land speculation near cities, was turned down by the state's voters. This proposition would have let farmland owners get assessment of their land as "agricultural," and not for its "highest and best use" as the law now requires. The land would have had to be in use for otherwise undefined "agricultural use" for at least two years to qualify.

The difference in taxes would have been substantial. Though farm organizations supported the measure, its primary support came from big suburban land holders. The president of the Home Builders Council of California admitted that defeat of the measure produced a collective sigh of relief among builders whose big problem is cost. Builders credit the defeat of Proposition 4 to the voter's tendency to vote "no" on items he doesn't understand—since it was one of 24 on the ballot, the result could easily have gone the other way.

Who's Flunking Our Economic ABC's?

by MITCHELL S. LURIO

IN a Saturday Evening Post editorial on March 10, 1962, Commerce Secretary Hodges deplored our lack of economic education and then proceeded to make some economic pronouncements that causes one to deplore *his* notions of what constitutes proper economic education.

We can dismiss without comment his first assertion that the country's 16,000 business failures may be laid to improper economic training. Business competence has little to do with economics, unless Mr. Hodges equates economics with business training; and even then most successful business men have not attended graduate business schools.

Joe Doakes is actually better off if he makes no effort to resolve the economic inconsistencies, contradictions, fallacies and prejudices emanating from professional economists, commentators, legislators, as well as business and labor leaders. And as for the knowledge available in college textbooks—how many remember anything of value for their business and political judgments?

Although the Commerce Secretary seemed to approve of free trade without restrictions or quotas of any kind, he compromises his position by stating "there are cases where American business is being hurt by imports and where some sort of government assistance is clearly justified." This means establishment of government subsidies, already the cause of so much chaos.

According to Mr. Hodges, the National Task Force on Economic Education, appointed by the American Economic Association and financed by the Committee for Economic Development, suggests three "standards."

The first is that people should know about trade, the law of diminishing returns, saving, investment and capital formation and the profit incentive. These are understood by all except those who decry the profit system.

The second, that people should be aware of depression problems, is an affront to every man's intelligence.

The third, that people should be "enjoined to know how to measure economic growth in terms of national production and what constitutes a reasonable rate of growth" assumes that economists can measure accurately the extent of national production and the rate of national growth and can do something about it by planning instead of by freedom. Joe Doakes is smarter when he considers only the availability of jobs.

If four simple steps were taken, our economy could be revived overnight. First, competition should be encouraged rather than discouraged. Second, trade should be as free between nations as it is between the states. Third, the dollar should be tied immutably to gold and convertibility should be restored to keep government spending and borrowing in check and to prevent inflation. Fourth, and of course, most important, the annual value of land (all natural resources), which is another name for economic rent, should be taken for public uses, as the means whereby all could share equally in the bounties of nature and eradicate the speculative holding of valuable land out of use.

If economic educators ever presented these principles fairly, side by side with the methods proposed by those who urge a government-controlled economy, the study of economics would have meaning and significance.

Unfortunately, vested interests exist in and out of government and few have the courage to espouse correct but unpopular and nonconforming courses of action—for they are largely captive to their vested interests.

The real obstacles to our achieving a better economic system emanate from those influential forces in business, labor and politics which are not interested in what is best for all but in what appears at the moment to be best for them.

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was chosen to serve as chairman of its executive committee.

He enjoyed the association with his fellow Georgists and was a stimulating leader in many informal discussions and debates, at various national conferences of the Henry George School and of the Henry George Foundation. When Pittsburgh was fortu-

nately but rather unexpectedly chosen as the site of the 1962 joint conference held at Chatham College in July, he gave this project his energetic and enthusiastic direction and its success was a fitting climax to his long career of devotion to the Georgist cause.

A memorial meeting was held in Pittsburgh on November 12th.

—Percy R. Williams



CREATIVE THINKING IN TAXATION POLICY

"The man who thinks becomes a light and a power" and the thoughts also become a power which continue to emerge here and there no matter how much opposing powers may try to reject or ignore them.

In an important magazine, the *Engineering News Record*, published by McGraw-Hill in New York, an editorial which came to our attention via P. I. Prentice, publisher of *House & Home Magazine*, concludes, "it deserves a try in the United States." What deserves a try? "The land-tax system (that) has worked well in New Zealand and Australia."

An amendment that proposed allowing municipalities to increase the proportion of property tax on land in California was recently rejected in the Assembly, and thereby, states the editorial, "California missed an opportunity for creative use of tax policy." This would have made it more expensive for speculators to hold land idle, and "such a policy," according to ENR, "stimulates efficient use of land. Moreover, it encourages building, repair of deteriorating structures and other property improvements, since they are not penalized by additional taxes."

Today the price of far-out land is higher in proportion to centrally located land than it was ten years ago. To combat this deterrent to homebuilding, a proposed state constitution amendment in California suggests a seven-year safeguard against speculation on close-in agricultural land which would require a farmer, in selling his land, to pay the difference between the lower agricultural tax rate and the regular tax rate on subdivision land for seven retroactive years.

But opponents claim, and rightly, according to ENR, that this provision is insufficient and that "if a community wishes to reserve open space for future needs there are more certain ways of accomplishing it"—meaning, but not mentioning by name, land value taxation.



The 1961 taxes on farm land and buildings, payable in 1962, is reported at \$1.3 billions—an increase of 6.3 per cent over 1960. The Agriculture Department's Economic Research Service estimates that levies of 1962 will rise to \$1.4 billions, bringing the tax to \$1.38 per acre, as against \$1.30 in 1961, and about \$1.06 in 1957-59.

The research service finds taxes equaling 6 per cent of total production expenses in 1960—a percentage which has been rising since 1941. This suggests that it would be interesting to know the estimated value of all farm buildings. For if the buildings are worth one-third of the total valuation—exempting them, and having only a land value tax, would reduce such farm taxes by one-third. If this caused additional taxes to be levied on urban and suburban land because they have more location value than farm land, it might be helpful in removing the burden of crop price supports and crop storage from the backs of city dwellers.

LANCASTER M. GREENE
New York

It is claimed that if land value taxation is applied, income may exceed expenses. If this is so, will there be danger that this surplus can be used to further centralization of government? If not, then to enlist the support of political opportunists, why not advocate the distribution of sur-

pluses as dividends to political leaders? One advantage of this proposal is that it would stop the trend of more and more taxpayers becoming tax-consumers—a trend our "do gooders" are promoting, thereby threatening a free economy.

Another advantage might be that political leaders, as *dividend seekers*, would strive more vigorously to seek higher dividends through *increased production*—rather than *increased taxation* that paralyzes production. Also, they would weigh advantages of supplying public services through private industry wherever it might prove to be more efficient.

JOHN LO SECCO
Brooklyn, New York

The beneficial qualities of free enterprise are largely obscured by the presence of economic feudalism copealed in capitalistic societies—such as the taxation of wealth which raises prices and induces scarcities. Two centuries ago South America and the United States could be considered as being on an equal footing. Today South America looks to the U.S. for aid. The Marx fallacy that capital exploits labor is clearly exposed by this comparison, and the opposite contention held by Henry George is unequivocally proven. Attempts to make two diametrically opposed systems exist together can only result in depression, unemployment and conflict. It is time to rid capitalism of the restrictive practices which discourage enterprise and production.

JAMES HAIR
Cincinnati, Ohio

Richard Van Horn had sighted the welcome lights of home from the plane and tightened his seat belt for a landing at Idlewild Airport the evening of November 30th. * * * When the names of the passengers were read his was last on the list of those we would never see again—and how we shall miss his ruddy smile and his cheerful, courteous willingness to cooperate in any way possible at the Henry George School where he has long been a faculty member. His last article in HGN was in the July issue. He was returning from a business trip. We hope his wife Lillian will find the faith and strength that alone can sustain her in this crushing loss.

The Henry George School in the News

SYRACUSE will welcome 25 students at the fall term graduation dinner on December 6th, who completed the course in basic economics. Some of these may have been attracted to the course because Jeremiah F. Enright, an enthusiastic volunteer, spent four and a half hours in the parking lot at the New York State Exposition putting Henry George School cards under windshields wipers.

A graduate of the first class taught by Emanuel Choper two years ago, Paul J. Shoemaker, enjoys the distinction of being Syracuse's first active member.

OHIO, under direction of Verlin Gordon, has a class going in Lakewood, with more than twenty students. Ivan Dailey is the instructor. Mr. Gordon is teaching a class in Lima.

PITTSBURGH, sadly missing the leadership of the director and founder of the extension, Robert C. Bowers, will continue its activity with classes in the YMCA buildings, with Fred W. Hecker, Casimir J. Pellegrini and Frederick S. Karn as instructors. Sam Rex was Mr. Bowers' assistant. John C. Weaver and Wylie Young will continue to give lectures throughout the state upon request. John J. Motley has provided valuable public relations counsel.

The customs-halted Santa comes to us through the generosity of Janet Cameron, a Pittsburgh graduate.

SAN DIEGO classes in progress in a number of communities in and around the city extend for 28 sessions. The fee of \$29 covers three textbooks and all supplementary material, and there is a special rate for married couples! A Commerce and Industry course similar to that originated in Chicago,

is also now being offered to prospective students at \$10 for ten sessions of group study.

On election night Harry Pollard, the director, invited school friends to Henry George House from 9 p.m. on, to listen to returns. Coffee and cakes were served.

NEW YORK will begin its 1963 Friday Evenings at Eight series on January 4th with a discussion of investment policy in the light of current events, by Lancaster M. Greene, security analyst and member of the New York Society of Security Analysts. He recently distributed copies of *Progress and Poverty* to all universities and colleges in the Philippines (one in Manila has 45,000 students), and gave 8 copies to various interested public officials.

On January 18th Miss V. G. Peterson, Executive Secretary of the Robert Schalkenbach Foundation, will report on her trip through Australasia. January 11th and 25th will be film evenings under direction of Laurence Kobak, the school's assistant director.



"EVERYWHERE AT ONCE"

Are you one of the hundred thousand who have completed a reading course in *Progress and Poverty*? Then you will be pleased to know that interest in this subject is being evidenced also by French, German and Italian students abroad. In Latin American countries, too, the response to the Henry George School correspondence course confirms an avid interest in the basic reform of land value taxation and free trade.

Long ago Henry George foresaw the succession of crises that would lead to an impending world tragedy, and predicted that truth would emerge only when the need was crucial and everything else had failed. The years have confirmed his prophecies.

Suddenly, said Joseph S. Thompson, president of the Henry George School, "we should be everywhere at once, for our message is needed on every continent." Please then, quickly contribute as much as you can, to help make available the blueprint for fundamental reform in all the areas where it is increasingly welcomed and appreciated.

Annual contributions of \$10 a year and more constitute an active membership with a free subscription to *The Henry George News*, plus other literature. Contributing members pay \$25 to \$99 yearly and this pays the expense of the basic course for one or more students who, thanks to you, can be enrolled free.

Supporting members (\$100 to \$999) have the satisfaction of knowing their contribution pays for the development of one, two, three or four teachers, who willingly donate their efforts and serve without pay.

The sustaining members (\$1,000 and over) are much needed to keep school extensions staffed in Canada and in 22 cities in the United States. New extensions can be added only as the funds become available. Directors serve with earnest zeal but only a meager recompense. Any assistance they receive in the office or classroom must be voluntary.

All contributions are tax deductible and all are wisely spent as the annual financial report indicates. If you have a block of stock, or a piece of pasture land or building site, and want to "Leave it to George" in your will, be assured it will operate far into the future as a memorial to your sense of social justice.

Please send your gift check to the Henry George School, 50 East 69th Street, New York 21, N.Y. Thank you.

Mr. Robert Clancy,
33-53 82nd St.,
Jackson Heights, L.I., N.Y.