

the Henry George News

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Anniversary of a Journal

by WILL LISSNER

AT recent meetings the board of the Robert Schalkenbach Foundation adopted resolutions honoring three individuals. The occasion was the twentieth anniversary of a quarterly periodical with a jaw-breaking name, The American Journal of Economics & Sociology. One of the three was the present writer, editor of the Journal since its founding in 1941. The others were Mrs. Violetta G. Peterson, who has handled its production and business affairs for the same period, and Miss Frances Soriero, her able assistant for many of those years.

These three were singled out to symbolize a company of several hundred whose cooperation over two decades, voluntarily given, has made this one of the most successful scholarly jour-

nals in the field of the social sciences. The collaborators are so widely scattered over this country and several foreign ones that they could not be gathered for an anniversary dinner.

The amazing thing about the Journal's career is that its success was never contemplated and it has rather taxed the periodical's resources, scant as they have been, are and are bound to be in the future. Actually it grew out of a project that was a failure.

Frank Chodorov, then the director of the Henry George School of Social Science, and I were struck in the mid-Thirties by the lack of factual research to prove or disprove the theories of Henry George, particularly with respect to how absolute private owner-

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A Word With You

ALL of a sudden I feel hemmed in with numbers. It's been happening gradually, of course, but now it has reached a critical point.

My Army serial number was 3253-0372, and my G.I. insurance, V-2092-627. My voter's registration number is C-60504, and my social security number is 094-14-0897. My savings account is designated by the comfortable figure, 37,154—all out of proportion to its meager contents; and my checking account, still more disproportionately, sports a whopping 0210-0012-053-502345.

The post office now requires you to put zone numbers on your letters, in addition to numbered houses on numbered streets and avenues. In the good old days it was enough to say "next door but one to St. Martin's Church on Whitby Lane."

And now the numbers are sweeping through the telephone system. Every city has its number which you can dial direct, and new telephone exchanges are no longer colorful names, but numbers. I suppose it's only a matter of time until they'll do away with our "Rhinelander," with its visions of Rhine maidens and Rhine wine. Every telephone will eventually have a minimum of ten numbers. And organizations are now assigning separate phone numbers to each employee.

All in the name of efficiency and better service. Boo! I've just been through a harrowing experience dialing ten numbers. Clicks and buzzes

and an operator's voice telling me I didn't do the right thing. When I asked for help I was given seven other numbers to dial for information. After a few more whirligigs, I got a party who answered "Project Hope." Hopelessly I gave it up.

And don't tell me we're getting any better postal service, or banking service, or anything, with this new numbers game.

I have a few oases in this desert of numbers. My membership cards in the Henry George School, the Art Students League and the Jackson Heights Public Library are blessedly unnumbered. But don't think you're getting away from numbers in the field of culture. If you ask about culture in America, you'll get a ton of statistics on your head: there are 1,037 orchestras, 963 art museums and \$2,300,000 for a Rembrandt. Religion? You'll get more statistics about the number of people going to church. (They're only going in order to play bingo—more numbers!)

If you ask why all these numbers, you'll be answered with another number: "Because this is 1962."

Don't get me wrong. I like numbers; I think they're great. I just don't like *them* telling me what to do. I think they should stay in their proper place, with me giving the orders. "The question is," as Humpty Dumpty said, "who's to be master, that's all."

—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.

Publication committee: William S. O'Connor, Arnold A. Weinstein and Lancaster M. Greene, chairman. Editor: Alice Elizabeth Davis. Subscriptions \$2 a year; single copies 20c. Second class postage paid at New York, N.Y.

Jamaica's Land Waits

EVERY January Lancaster M. Greene, a prominent security analyst and vice-president of the Henry George School, New York, has delighted the Friday-Evening-at-Eight audience with a look ahead at the market. This year Mr. and Mrs. Greene went to Jamaica after the first of the year and the annual market forecast was offered in February along with a report from the West Indies.

By way of bringing this Caribbean island to the audience pictorially, Mr. Greene introduced a short industrial film showing one of the bauxite areas being processed by the Kaiser company which has the largest open pit operation in the world. Farmers are bought out and resettled on better land in model homes. A railroad is built to the site—this is easily accomplished where native unskilled laborers of all ages are willing and eager to work at pounding the readily available limestone for prompt construction of the roadbed. As soon as one limestone "saucer" is mined out, work is begun on another, and the entire area goes back into agriculture—the plots being sold to farmers at nominal prices.

The island's new industrial development is clearly recognized and appreciated in these bauxite areas where natives are learning how to handle, not only heavy machinery and mining equipment, but ultra modern IBM machines. Those who become skilled workers enjoy living conditions far superior to those around them, and Mr. Greene believes this kind of peace corps work, done to make a profit, has a basis for growth.

In addition, Kaiser, Aluminium, Ltd., and Reynolds, in a fine "partnership with Jamaica," are paying in bauxite royalties and income taxes, 15

per cent of the Jamaican budget. Alcoa and Harvey are investing now for bauxite production in the future. Already 48 per cent of U. S. Aluminium comes from Jamaican bauxite. The employees soon provide themselves with compact cars of British origin. The American cars, which they might prefer, are tagged with 45 per cent tariffs, as compared with 20 per cent on British cars. Jamaica residents are being charged for the privilege of importing things they can't produce themselves, the speaker said. Over 25 per cent of national taxes are imposed on imports and excises. Canadian interests are also represented in Jamaica with some \$100 million invested in bauxite and alumina—but they, unlike the American companies, are transferring the bauxite into aluminum on the spot, to save shipping costs.

It is extremely interesting that Jamaica, whose principal exports for years have been sugar cane, bananas and rum, for the first time shows the over-all gross product from manufacturing to be 39 million pounds sterling. This is slightly higher than the products of agriculture, which totalled 29 million pounds in 1960.

There is still much poverty in this island paradise, but the people have some inkling of the tremendous things that are possible. Land speculators, too, have been helped by the increased industrialization.

About 96 per cent of Jamaica's population is of African extraction. The remaining small minority includes Hindus, Moslems, Chinese and Israelis. This small segment is also largely representative of the traders and land speculators and is not very popular with the "little people," who do not yet see the advantages of the land value taxation reform introduced

by Premier Norman Manley in 1955. Six parishes were revalued under the supervision of an expert assessor from Australia, but recently the Premier, who is a believer in land value taxation, has halted the program presumably because there are no more funds, but also because in practical politics you don't "push the people beyond the point where you think you can win their votes."

Education is still very primitive in Jamaica's public schools, and pupils can advance only through the sixth grade. The People's National Party would like the Henry George School to set up more classes to familiarize people with the advantages and necessity of this reform, and to show them how much faster Jamaica could grow by pointing out that in Australian boroughs where land value taxation was tried all slums were gradually eliminated within a year.

Jamaicans who have studied in the Henry George School are impatient for land value taxation to be extended from one-half of one per cent of the value, to a rate high enough to discourage withholding of usable locations. They also are eager to see those taxes removed from production and imports which discourage the very improvement the government would foster by its temporary tax remission for capital investment.

Mr. Greene asked these enthusiasts whether they should be any more discouraged than parents of an infant who has croup or measles, in the growing up process. Interviewing a number of persons in high and low positions, to determine how they regarded the new land reform measure, he found that when he suggested to skeptics, "if this land has no value, I'll take it off your hands," they began to see the idea.

The large owners have not been "hurt," but they are calling for mercy while still enjoying the advantages

they realize they may lose. This tension is reflected in the voting potential, and representatives of both parties are therefore trying to couch their election promises in terms which will insure their election.

Premier Manley is strongest in the concentrated metropolitan Kingston area which has the largest and most valuable land holdings. Here the government is busily inviting tourist trade and new industry, hoping that great hotels will be built to make the land more valuable. Hotel owners are also intensively pressing for a national lottery in the hopes of wooing international gamblers and their moneys. This would serve ostensibly to save the hotel business, but Mr. Greene anxiously pointed out that wherever this expediency has been sought the results in the long run have been crippling, since the gambling interests assume such an importance financially that thereafter no legislative move is ever made without their consent.

So many questions were asked from the audience about Jamaica that little time was left for those who were patiently awaiting the sound and seasoned views on the market. Mr. Greene said he discovered the Henry George School in 1934. This discovery made such an impression on him that he has been busily interpreting the philosophy ever since whenever an opportunity arises. He says we live in an industrial democracy where "everybody votes every day in the market-place, and the consumer casts a vote every time he buys anything." He has noted how fast products have to change to reflect "votes," and he is interested in preserving the system where prices are controlled by the consumer in the free market, rather than by government.

Americans, he noted, have never had the experience of taking money home in bushel baskets but they read about it, consequently they are afraid

of deflation but not of inflation. The Kennedy-Keynes adherents therefore go on the theory that "you can fool all the people all the time if you keep it under control." Give the people a people a little inflation—they like it! It's like the stimulating effects of the first and second drink. "We hope that the country will not become alcoholic," but, Mr. Greene warned, "we are in danger of a galloping inflation if the budget is not balanced."

He recalled an example in Franz Oppenheimer's classic, *The State*, illustrating the "economic means" versus the "political means." Most bees distill nectar from flowers, he said—that is the economic means. But if some bees learn to steal honey from other hives they will never be interested in getting it from flowers by working. This is the political means, and when this happens to bees their

hives have to be destroyed, otherwise the whole apiary will be corrupted. The inference is clear—it is hard to get people to give up a special privilege and go to work—they would much rather speculate in land, for instance—just sit back and get the benefit of every community improvement or government expenditure, without themselves taking the risks of producing for the benefit of consumers.

Again there were many questions from the audience. All were answered courteously, calmly and directly, but there seemed to be no end. What would be a good inflation hedge, someone asked at the last.

"The best managed companies," said Mr. Greene, "buy where the management has a potential of doubling in the next five years, and pray too," he added, "there's no protection if inflation gallops."

Peaceful People's Protest

A protest was registered against the People's National Party proposal in November to take over farm holdings of more than 100 acres of undeveloped land. It was made to the *Gleaner*, a Jamaica newspaper, by a New York group of eighty, who signed themselves "Friends of Jamaica."

Said the "friends": "If valuable land is still being held out of use in spite of the land value tax, it must mean that the tax is not high enough. An increase in the tax should therefore bring about the desired effect. On the other hand, compensating the landowner or leasing would be in effect a burden on the taxpayers, who would also be paying the landowner for having held up production.

"The selling price of land, urban and rural, would be diminished by

the land value tax. It would permit the reduction of taxes on production. Production both on the farm and in the factory would be freed from the burden of taxation.

"Consequently, the free market price of agricultural products would bring an adequate return, thus enabling the farmer to buy the manufactured goods he needs and to increase his production. With increased farm and factory production, there would be no need to fix prices, which is merely an added cost to the other producers, who have to pay artificially inflated prices for farm products.

"We... urge that the land value taxation system be maintained and expanded so that its full benefit will bring about the improved conditions so eagerly sought by everyone."

A "Gold Mine" in the Slums

"GO INTO a big American city, buy some grimy tenement in the slums, leave it grimy, don't spend a nickel on it, pack it with tenants, and then relax, because the local and federal tax laws will guarantee a tremendous profit," said David Brinkley in his NBC broadcast on November 22nd last year. "The city and the taxpayers will take a tremendous loss," he said, "but you can think about that on your way to the bank."

In "David Brinkley's Journal," he illustrated this point with facts and figures on a building at 311 East 100th Street in New York. In 1904 a permit was granted to two men to build the six story building at a cost of \$40,000—it was to be one of the finest in New York. Today, 57 years and "25 landlords later," this is in the middle of Spanish Harlem. It has 139 tenants, mostly Puerto Ricans. The rent on an apartment is only \$44.83 a month but even that rental makes the building as "profitable as a small gold mine."

During the intervening years, 25 owners made money out of the building and few spent any. The present owner bought it for \$36,000 and collects \$12,000 in rent, or one-third of his investment. The taxes are only \$1,973 a year so his return is 27 per cent, out of which he buys nothing but a little coal. The city, however, takes a tremendous loss and pays out in cash probably ten times what it collects in taxes.

A police officer speaking on the program called this one of the worst buildings in the precinct, with com-

plaints of narcotic violations, burglaries, police arrests and deaths by accident.

The captain of an Engine Company said they had 80 fire alarms in that block in 1960 and 69 for the first half of 1961. They always find barred gates on windows that should be fire escapes, substandard wiring, and holes in plaster throughout the building.

Mr. Brinkley pointed out that there are thousand of tenements like this in New York and other big cities over the country. "You can buy it, get 30 per cent a year on your investment, and then get even more help from the federal government." A slum landlord gets about 5 per cent for a so-called depreciation allowance, supposed to go for repairs and replacement, but when these are not made he simply collects another 5 per cent profit from the government. Even if he is occasionally convicted of a building code violation the fines are so small—\$5 or \$10—that it is cheaper to pay the fine than make the repairs. "The federal government allows credit for repairs that are not made so the law guarantees a profit and gives the slum owner a free ride on the public's back."

As far back as 1902, said Mr. Brinkley, Jacob Riis said, "The way to get rid of slums is to take the profit out of them."

What better way to take the profit out of slums than by a high rate of taxation on land values? What better way to put profit into better housing than by untaxing improvements?

"What we have received from society we must willingly and voluntarily share with it," said Vinoba, the disciple of Gandhi.

Tariff "Adjustment Assistance"

IN CITY PRESS,* the Wall Street Journal of London, Lancaster M. Greene found an extensive article on the history of free trade in America, by his friend Raymond V. McNally, who was formerly a resident of New York and an instructor in the Henry George School. He envisages the coming battle in Congress as "one of the most bitter in American history," and points out that the country's economic survival is at stake since she "can no longer afford the luxury of a protectionist policy."

Revolt against protectionism, he said, was the chief basis of America's fight for independence. Before the Declaration of Independence the Continental Congress had voted for free trade. . . . In view of the heritage of economic strangulation by the fading empires of Europe, this was a remarkable achievement, comparable to the industrial revolution. Only now is Europe trying to emulate it.

"But the vigorous young minds of the new world were eager to produce yet another revolution in economic thinking. The European governments of the Middle Ages had operated on the principle that since they had placed restrictions on trade between cities, these should be extended beyond national boundaries.

"The Americans sought to apply this principle in reverse. Free trade between the states should be extended abroad. . . . For that reason, John Adams, the American minister under the confederation, who later became president under the Constitution, importuned the British government for years to see the light. But in vain. Finally, he gave up in disgust and recommended that the U.S.A. retaliate by setting up barriers against England.

"He did not see that just as reciprocal free trade is beneficial, so is reciprocal restriction suicidal. From that moment, the beautiful American dream began slowly to evaporate. A struggling young nation got off on the wrong foot. America stands today where Britain stood almost 200 years ago. Is she setting any better example to the undeveloped countries in this world of turmoil?

"Foreign competition in domestic markets is to be tolerated only to promote American competition in foreign markets. According to this viewpoint, imports are not desired for themselves but only as a means to an end.

"The trouble is that the U.S.A., like Britain, has been trying to walk a dangerous tight-rope between economic isolation and political internationalism. The two are incompatible . . . reciprocity is better than discrimination or retaliation, but it is not free trade. It is like two boys daring each other to jump into the lake first and ending up by jumping together.

"For the first 100 years of her existence, she looked upon protection as a necessary evil to be applied only temporarily in special cases and at certain times. . . . Until 1913 America relied on customs duties to cover the running expenses of the government. The first tariff adopted in 1792, three years after the Constitution was ratified, was of this nature . . . protection is a pernicious thing. Once bitten by it, the beneficiary—like a drug addict—wants more of it, not less, and all at the expense of the community. The 'infants' never seem to grow up.

"For 150 years, despite high tariffs, America's imports exceeded her exports. This, together with more domestic competition induced by the high

*December 22, 1961

prices, may have frustrated the protected industries. Were it not for this, America would never have attained her present position of wealth and power. No country can get rich by sending more goods and services away than she takes in.

"When the U.S.A. reversed the normal process about 20 years ago, she laid the groundwork for external deficits and a slower rate of growth. . . . Trade unions—which are a form of protectionism supported by legislative privileges—produce the same result as they succeed in embracing

more and more workers. Thus the constant demand for higher wages and fringe benefits.

"But Kennedy, the 'liberal' thinks he can 'cushion adjustment.' It is the old story of a dog chasing its own tail. Under his free trade plan, he promises 'adjustment assistance' where imports cause loss of jobs or business. This is akin to the victims of a bandit compensating him for being deprived of his loot by the police. Nowadays nobody is supposed to pay for his own sins or his own inadequacies. That is the taxpayers' job."

California Assessment Practices

THE Commonwealth Club of California has released the report on a study of Assessment Practices by participants which included assessors, private public utility representatives, and "advocates of the Henry George theory of the single tax."

It was agreed that only mechanics and practices of assessment would be studied and the first question as to whether property in California should be assessed at "full cash value"—the mandate of the constitution, or, as at present, "in proportion to its value," was fairly quickly concluded with 82 voting for assessment at full cash value and 52 for fractional cash value.

Next the more troublesome problem of equalization arose. There is often wide diversity in the assessed value of two nearly identical plots situated near each other but separated by a county line. Also there are sometimes different valuations on the same property by the county assessor and a city assessor. It was finally voted, 106 to 26, that the State Constitution should be amended to require that the county

assessors' valuations be adopted uniformly by all units within the county.

"Should land be valued in accordance with use, or regardless of use?" This was very close—67 voted for the former, 68 for the latter. "Should there be legislation to establish uniform criteria for valuation of improvements?"—113 said yes, 19 no. "Should there be repeal of the tax on household effects?"—96 said yes, 35 preferred a requirement that such effects be assessed at the same ratio to true value as applies to land and improvements.

A minority of 39 said the tax on business inventories should be repealed—93 suggested legislation require a more uniform standard of evaluation. Again a minority of 33 voted for repeal of a personal property tax on fixtures and machinery, while 94 were for adopting uniform standards of value, comparable to those now applied to motor vehicles.

The decision was close in deciding whether assessors should be elected (70) or appointed (64).

A real estate analyst in registering his opposition to the report said the assessors use three standard approaches: cost, income and market analysis; while in assessing public utilities such factors as historical cost, capitalization of net earnings and stock and bond values enter in. He referred to the Henry George advocates as the "third group of specialists," whose aim was that only land should bear the burden of all property taxation. Quoting from *Progress and Poverty*, "when all rent is taken by taxation for the needs of the community . . . labor will get its full reward, and capital its natural return" etc., he criticized the group for, as he put it, leading the taxpayer to distrust the methods, and by extension, to distrust the public officials who apply the methods.

Robert Tideman, executive secretary and director of the Henry George School in San Francisco, made a brief reply denying that Henry George or his proposals were mentioned at any time during the discussions.

Robert De Fremery, also associated with the Henry George advocates, expressed delight over the vote favoring assessment at full cash value and believed the study made it clear that failure of assessors to assess at full cash value as required by the State Constitution is a major cause of the inability of local governments to support themselves. This, he insisted, is a most serious matter when one con-

siders the extent to which, in the last 30 years, the local government has been turning to higher levels of government for financial aid. "It is this increasing dependence of local governments on higher levels of government that threatens destruction of our way of life," he said. "The bulwark of our free society lies in strong, financially independent local governments. And the financial strength of local governments has been steadily undermined by failure of assessors to assess at full cash value as required by the Constitution."

Furthermore, he pointed out, "that part of the property tax falling on land has an enormously beneficial effect on the economy by holding down the price of land and encouraging its best use. There is no disagreement among economists on this point. Every effort should therefore be made to increase the ability of local governments to pay their way by obtaining as much revenue as possible from the local property tax. If the burden on improvements and personal property becomes too heavy, then the property tax should be amended along the lines of the graded tax plan used in Pittsburgh, Pennsylvania. Meantime, assessors should be required to assess at full cash value."

The complete report, published in booklet form, is available from the Commonwealth Club, St. Francis Hotel, San Francisco 19, at 25 cents.



"Economists have been up in the air for a long, long time. Thus the space age changes nothing," said Dr. Proctor Thompson, Professor of Economics of Claremont Men's College. This quote from the National Observer, a new Sunday newspaper, is reminiscent of Professor Harry Gunnison Brown's limerick:

A college economist planned
To live without access to land,
But ere he proceeded, he found that he needed
Food, clothing and some place to stand.

No Confusion Here

HERMAN Halpern, a thoroughly convinced recent graduate of the Boston Henry George School, and an engineer, wrote to a public official in the State Legislature, who replied at once stating that while he knew something about the proposed tax reform, he had a few questions. The first concerned the manner in which taxing land values and untaxing improvements would benefit that part of Boston known as Ward five, which includes the South End. "I have been unable to determine the effect of such a system on property along Commonwealth Avenue or Chestnut Street," he wrote.

Mr. Halpern replied with examples selected at random from 1959 figures of the Boston Real Estate Board. On those assessed values he computed the following three tax levels: (1) present tax assumed at 10 per cent for easy figuring, (2) a tax of 20 per cent on land value plus 5 per cent on the building value, and (3) a tax of 40 per cent on the land value, nothing on the building.

He then offered this observation:

"No. 2 Commonwealth Avenue is presently using a valuable site very poorly. Its poor usage is encouraged by its low present tax (\$6,000). Shifting its tax away from its poor building (\$7,700) onto its valuable site (\$53,300) would guarantee that its poor building would soon go, immediately to be replaced by a good building worthy of the site, and capable of generating the heightened tax.

"No. 308 Commonwealth Avenue is presently using a not too valuable site in a good way. Shifting its tax away from its good building (\$64,400) onto its moderate site (\$15,600) would permit of a reduction in taxes (viz: \$6,240 as against \$8,000).

"Most of the sites show a poor ratio of value of building to value of land. 'Present' taxes encourage this in

virtually every instance."

Asked whether Boston has a zoning problem and if, as it appears, controls would be required, might these not be as confusing as they are undemocratic?

Mr. Halpern replied that "the only requirement is that zoning and assessing of the land value be consistent. . . . The city zones. It decides what it wants Commonwealth Avenue to be. The distinctions between assessing business sites and residential sites are not new, they already exist in fine detail." As to coupling the term "confusing" and "undemocratic," he said, "let's see if what we are proposing is not really less confusing and hence more democratic:

"We propose uncoupling buildings from land for purpose of taxation. There's no difficulty in understanding what we mean by land value. There's no difficulty in understanding what we mean by building value. Difficulty arises when we talk of 'real estate.' It is the smoke screen."

Land values, if they were separately listed and published, he wrote, would be amenable to easy comparison and capable of intense illumination by the press. Building values on the other hand are influenced by replacement value, depreciation allowance and tax write-offs, and are therefore subject to great inexactitude in assessments. As the tax rate on buildings is lowered, these become less important. In the limit, as the tax rate is made to approach zero, the importance of these inexactitudes also approaches zero.

Mr. Halpern replied to his correspondent's query as to whether the people of Massachusetts understand the issues well enough to administer the solution fairly and effectively, with a plea for education stating that the Henry George School in Boston does a "tremendous job."

Land Value Maps for Southfield

SOUTHFIELD, Michigan will soon have within its boundaries the largest expressway interchange in the United States, which will make it one of the most valuable pieces of real estate in Michigan. The Honorable S. James Clarkson, formerly an instructor in the Henry George School, Detroit, is now Mayor of Southfield. Although he campaigned, and won, on a platform protesting penalty taxation on home owners and home improvements, there has been the usual delay in establishing a program.

At his insistence some of the assessments were studied and it was found, in one typical example, that land sold there for \$90,000 was appraised at \$1,500. Also there was land which was zoned as commercial but appraised on the books as agricultural. This was obviously unfair to home owners who had to be taxed for the public improvements that were making the vacant lands so valuable.

Mayor Clarkson therefore asked that the present law be respected as regards appraising and assessing both land and

buildings at uniform rates, and asked that land and buildings be treated similarly without showing partiality in favor of vacant land sites.

A Board of Equalization in looking over Southfield policy then discovered that for the city as a whole, vacant land had been assessed on the average at about 38 per cent of its appraised value, residential property at about 60 per cent and personal property at about 74 per cent. So the assessor's office has been reassessing the vacant land and bringing it up to about 49.19 per cent of its appraised value, near the 50 percent mark which the State Board of Equalization requires.

A Cleveland company has been engaged to make a complete appraisal of all land in the city, exclusive of building or improvement value in any form. They will appraise the land only. Mayor Clarkson feels the people are beginning to be concerned about their tax problem, and he has assured the voters that they are going to have some degree of land value taxation in Southfield.

From Montana comes word that State Representative Russel Conklin, of Great Falls, and Willard E. Fraser, Billings business executive, called for consolidation of the state's 56 counties into 12 governmental units, listing 10 proposals "in the interest of good government."

The proposal of the two men who called themselves "Ben Franklin Democrats," urged "consolidation of city and county governments, consolidation of all county assessors under one state

office, abolishment of personal property tax, removal of taxes on improvements basing taxes on land only, and taking government out of all forms of competitive business including the State Liquor Control Board." Mr. Conklin, who established the Henry George School in Great Falls, is now enjoying a vacation in Phoenix, Arizona—probably the first winter vacation the busy public accountant, instructor and campaigner, and Mrs. Conklin have had for some time.

A new Political Action Committee on Taxation believes this is the year to bring to the attention of candidates and the electorate, legislation favorable to land value taxation. If interested write to Jack Motley, Box 2521, San Diego, California.

The Henry George School in the News

LOS ANGELES, in granting its director William B. Truehart a much deserved sabbatical leave, is benefiting in the interim by the experience of Harry Pollard who has introduced some of the innovations tried out in Ontario, where he is director of the Henry George School. The course now consists of 18 sessions which take the student through *Progress and Poverty* plus the *Science of Political Economy*. For the 28 weekly sessions a fee of \$29 is charged which includes three necessary textbooks, lesson sheets and other class material. An advanced science course is being offered to graduates at the basic course consisting of 16 sessions at \$7.50.

An alumni association similar to the Ontario group is in process of being formed. This will eventually perform many of the duties of the school. Mr. Pollard has returned to Ontario via Pittsburgh.

SAN DIEGO sends word that one of its popular members, John Nagy, Jr. of Chula Vista, announced on February 15th that he will be a candidate for the Assembly, or California lower house in the Democratic primary. He will campaign on a program of attracting industry to California by allowing communities to untax improvements and personal property if they wish, a privilege now denied under California law. Under this plan home owners will get a tax reduction, he claims.

FAIRHOPE, Alabama students have profited greatly from the instruction given by Bruce Evans, Jr., cashier and assistant secretary of the Fairhope Single Tax Corporation. After completing the studies in *Progress and Poverty* his students, all girls, entered an essay contest. (See Sept., 1961 HGN.)

Karen Horne, the winner, is now enrolled at Grinnell College in Iowa. She has received an award of \$100 and will receive three more in the same amount if she continues her education. Second and third awards, \$100 each, went to Lynn Gooden, now at the University of Alabama; and Milly Handy now at the Alabama State College for Women. The fourth award, \$50, went to Gigi Hoffman, who received a one-year scholarship at Memphis State University, offered to the first three winners but declined; the fifth award, also \$50, was won by Sandra Brown now enrolled at Baylor University, Waco, Texas.

NEW JERSEY reports good results from the showing of "Land—and Space to Grow," the documentary film produced by the Robert Schalkenbach Foundation, and presented as a means of introducing a tax seminar at Newark headquarters. Among those enrolled in the seminar at present are representatives from taxpayers' associations in five north Jersey communities. A second seminar is scheduled to open in Hackensack, New Jersey, and plans for two others are under way.

All students and friends of the New Jersey Henry George School are being urged to try to interest civic groups, service clubs, lodges and church groups as well as taxpayers' associations in including this film in their program plans. The school furnishes projector, operator, screen and commentator. One-half hour of program time is requested, but longer presentations are gladly furnished. If other schools are using this film extensively it would be helpful if they would report their results.

BOSTON has four basic classes in session located in suburban libraries and high schools. They find the suburban classes more effective in reaching students than downtown courses at headquarters. The formation of a Land Value Taxation Committee last year to promote interest in local political activities, has proved very successful in alerting beginning economists to civic problems and their solution.

NEW YORK director, Robert Clancy recently appeared at a meeting of the Independent Political Citizens at the Harvard Club, together with James D. Farrell, assistant di-

rector of the Budget for the City of New York. There was a lively discussion of land values as the sole base for taxation to meet New York's budget needs. The speakers' bureau has filled a number of other important engagements.

Friday-Evenings-at-Eight will offer on March 2nd, a program to encourage better speech. On the 16th Mitchell S. Lurio of Boston will speak on "Money," and on the 30th, Arnold Weinstein, member of the board of trustees and the faculty at New York headquarters, will speak on the "Law of Inheritance." Programs on March 9th and 23rd will present interesting color films.

Noah D. Alper's Brief Cases

THE RESULT AND THE REMEDY

"Urban sprawl" is not the growth of cities," according to statements from Life Magazine and House & Home. "Instead the cities are 'disintegrating and spreading the pieces over miles and miles of countryside.' It is an affront to aesthetics, to human relations, and to nature. It will take far more use of the infant art of 'environmental planning' to correct this misuse of land. The new art is hampered by its lack of community support (and frustrated by our old practice of encouraging unproductive speculation by undertaking unused land."

Not only "unused" land, but all land of value, is undertaxed. Price depends on how much of the value of land, or rent, is taken for public use. This is one of the most unrecognized "believe it or not" concepts in America today. Though taught in most economics courses, it is not taught comprehensively. Quality, not quantity, is indicated here.

"THE ELITE UNDER CAPITALISM"

"In the feudal society the economic situation of every individual was determined by the share allotted to him by the powers that be," wrote Ludwig von Mises in The Freeman (January, 1962). "The poor man was poor because little land or no land at all had been given him. He could with good reason think—to say it openly would have been too dangerous—I am poor because other people have more than a fair share. But in the frame of a capitalistic society the accumulation of additional capital by those who succeeded in utilizing their funds for the best possible provision of the consumers enriches not only the owners but all of the people."

But private property in land can enrich limited groups of people in the moving generations of men with no thought of the utilization of capital or consumer cooperation. While an almost irrefutable case can be made for the control of production and rewards by consumers through the free market mechanism and for the best use of land, the fact of sharing in distribution without contribution by mere title holding of land cannot be so refuted.

(Continued from page 1)

ship of land and other natural resources, and the consequent speculation in them, tended to bring about inefficient and even anti-social allocation of such resources and to set in motion a chain of circumstances which ended in social revolution and major depression.

We had the notion that if we defined some research projects along these lines, we might get some of the university professors to set the problems before their graduate students. At Mr. Chodorov's urging I gave him a list of such projects, mainly in the fields of land economics, public finance, sociology and social philosophy. He added a good many of his own and got up a four-page folder. It was printed by offset because then, as now, the movement has had a genie who by magic multiplies our few dollars available for printing to the sum needed to do the job. (I refer, of course, to that stalwart behind the Henry George School, Leonard Recker.)

The folder was circulated but there were no takers. I confess it was because we were not aware of the great difficulties in this kind of research. These difficulties could only be surmounted by research funds which were not then available. Let me explain.

One project was for an estimate of the value of land and natural resources in the United States. There have been many, but all lacked statistical validity. For the past fifteen years some of the top experts in economic statistics have been working on this problem with ample research funds. They hope within the next few years to solve it. The job has been an enormous one, far beyond our imagining.

When Mr. Chodorov's effort failed, it seemed to me that what our movement needed was to promote this kind of research. While I was mulling over the various ways in which this might be done without actually financing the research, the Communists launched a

scholarly quarterly and I observed that by providing a means of publication, it was promoting research and study in their area of interest. I also was struck with the danger this presented by providing a medium of publication for the younger scholars, which might win their allegiance to Marxian socialism. In combination, the two events made me decide that American radical liberalism also needed such a quarterly.

I made a careful study of how scholarly journals should be conducted to be accepted media of original publication in the social sciences, of the intellectual resources available to us, of the means of distribution, and the costs. Such a journal, I realized, had to cut across departmental lines, a difficult task at a time when the social sciences were going in for increasing specialization.

Adolph Lowe, heir to the mantle of Franz Oppenheimer in Germany, had just published a classic work, *Economics and Sociology*. Out of its main theme and his development of it, and out of the writings of Francis Neilson, Alvin Johnson, George Raymond Geiger, Franz Oppenheimer, John Dewey and Harry Gunnison Brown, I derived a manifesto which declared the Journal's reason for being. It was to be devoted to "constructive synthesis in the social sciences." The phrase was John Dewey's, a development of an idea Henry George had promoted in all his writings.

This idea was the evident truth that economic or social problems never appear in pure form. What we call an economic problem is an abstract from a problem in which sociological, psychological, political and philosophical elements are inextricably bound up. Its economic solution may be impractical on non-economic grounds. So to understand problems as they appear in social reality, we must either use in combination the specialized approaches of the several relevant sciences, or

tackle them by having relevant specialists work in teams, or develop an integrated science of society from the several sciences, or build a synthesis of the relevant sciences adequate for the total understanding of these many-faceted problems.

Our title came from Dr. Lowe's book, embellished by "The American Journal of" to distinguish our Journal from a list with somewhat kindred names. Only after the first few issues were out did I discover that one of the most distinguished and familiar of all had been omitted from the list by some aberration. (The American Journal of Sociology). It has been most kind about it, fortunately.

With all my plans in hand, I had dinner one evening in the Forty-second Street Cafeteria with Frank Chodorov and he agreed to handle the promotion. He undertook to sell the idea to Vi Peterson, with whom I was not then acquainted, and between them, they sold it to the Schalkenbach directors. The directors made a decision which was crucial to the Journal's success. They named as a committee to supervise the editor's responsibility and integrity and to guide the Journal's business policies, the late Otto K. Dorn, the late Charles Johnson Post, and the foundation's present president, Albert Pleydell.

Never once did they, or any of the other directors, attempt to influence the policy. Their job was to see to it that the editor and his editorial collaborators ran a periodical that was a medium of publication for research workers, a means of communication for them, one that published the results of honest study regardless of what findings were dictated by the facts, and one that gave equal access to all working in the field, according to established standards of competence, interest and importance. They have done their job well.

We did not expect to have enough

original material. So I had plans to pad out the book by translating articles from foreign journals. The first issue, with the minimum of pages, ninety-six, includes several such reprints. I counted, successfully it turned out, on interesting Francis Neilson, Franz Oppenheimer, George R. Geiger and Harry Gunnison Brown in turning out the basic core of each issue. (Oppenheimer, alas, died in 1943. But Neilson, happily, was spared until last year; he became my mentor in serious journalism and my chief collaborator.)

The translations I had in reserve never saw the light of day; we have little room even for reprinting highly pertinent articles in inaccessible languages. After the first issue we were inundated by excellent articles from the younger scholars (for whom we try to reserve half of each volume) and from the established veterans. Indeed the theory of integration and synthesis in the social sciences was accepted long before it was adequately worked out. Even today we are long on practice but weak on theory in this respect, although several outstanding scholars have published books which have moved us far along toward a theory systematizing our approach.

Before the first issue was out we had our first crisis. The promotion manager on whom I relied found himself committed in other directions. Vi Peterson took over the task. What she accomplished on the business end is seen in a few statistics. We started out with a single edition. Now we have half a dozen, using several modern means of reproduction. They sell here, there and everywhere around the world. Our basic letterpress edition has paid subscribers in fifty-eight countries of the world, and at every important institution in the United States.

On the editorial side we have done equally well. In some countries the research libraries rate high only if they subscribe to a number of indispensable

journals one of which, I am happy to say, is the American Journal of Economics & Sociology. Many of our investigations have found their way into textbooks. Articles and longer studies are reprinted, abstracted and summarized widely. From Anna George de Mille's biography of her father, to Percy R. Williams' study of graded taxation in Pittsburgh, we have nurtured many works that have become classics of Georgist literature. We have helped to win for George in academic circles a respect and an interest that were not evident in the years before we began our work.

From academic circles, particularly the older scholars and established journals and societies, we had expected disinterest or hostility. On this score, too, we were totally wrong. They welcomed us, accepted us into the fold and helped us at every turn. Even the leading scholars whose intellectual positions obliged them to be our severest

critics, gave us what help they could, often without the asking. Their attitude was in direct contrast to that of many—but not all—academicians in George's time. Once we demonstrated that we intended to observe strictly the canons of objectivity and integrity, acceptance was no problem for us.

To those of us intimately associated with it, the Journal has been a great deal of hard work over the years. But I hope each has found it rewarding, not merely in making a contribution toward the solution of the grave problems with which we are concerned, but in the one aspect I consider most important. Our work together has won me the dedicated and devoted friendship of each of the foundation directors and of many other collaborators. Our task is bigger than a single generation can achieve. But it is a good fight and its comradeship is its own reward.



—Courtesy of Leatherneck, the magazine of the U.S. Marines.

"Just think of it George! . . . We can live like millionaires now!"

Mr. Robert Clancy,
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