

# the Henry George News

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Agnes de Mille

**F**RRIENDS of the Henry George School from Pennsylvania, New Jersey, Delaware, Maryland, New York and Canada gathered at the Birthplace of Henry George in Philadelphia on April 14th, to dedicate a tree there. The sun broke through

Agnes de Mille, granddaughter of Henry George, noted dancer, author and choreographer, was honored along with others in the theater on April 29th, when the Tony Award (Broadway's equivalent of Hollywood's Oscar) for the outstanding choreographer was given jointly to her for "Kwamina," and to Joe Layton for "No Strings."

## *A Tree in Philadelphia*

the clouds just as Agnes de Mille placed a wreath beside the sapling, a genko tree, planted in front of the little house last fall by the City of Philadelphia.

Miss de Mille said she trusted that the young tree would eventually grow to a great height and shade the house. Reaching out its roots into the ground, the tree reminded her of the efforts of the Georgist movement to get Georgist ideas to take root. "This philosophy, too, is concerned with the ground," she said. The Birthplace is not an impressive monument, she reflected; it is "just an ordinary house that was lived in by ordinary people—though they would be extraordinary today." Miss de Mille referred to the desperate conditions in Latin America today and the work recently undertaken by the Henry George School to spread its education there via correspondence courses in Spanish. "The task involved," she concluded, "is not just planting one tree, it is planting a whole jungle."

*(Continued on page 16)*

# A Word With You

**"BIG** business" has been cursed for nearly a century as being the economic villain of America. Critics of this view have pointed out that there is no sin in mere bigness; quite the contrary, big business can render more efficient service at less cost.

No, there is no sin in mere bigness; but the question arises whether it is as efficient as it's supposed to be.

The smaller American Motors Company led the way in the production of smaller cars, reluctantly followed by the Big Three of the automobile industry. The smaller Lincoln Electric Company produces better arc-welding equipment, for a lower price, and pays higher wages, than big General Electric.

And now, the giant circulation magazines, like the Saturday Evening Post and Reader's Digest are having serious troubles, while numerous smaller magazines are moving briskly along. Television is blamed, but big TV networks are also in a bad way.

Instead of being the greedy octopus of the muckraker's protest, is Big Business a lumbering, dim-witted dinosaur? Why should this be so when it is reasonable to expect that a larger organization of specialized labor should produce more at less cost and show a better profit?

One of the troubles, I think, is that at a certain stage of growth, the tendency to bureaucracy insinuates itself into the picture. This is a well-known trait of government, but it

happens in industry, too.

When a company is started its management is concerned directly with producing the product and introducing it to the world, and every effort is bent in that direction.

Just at what point the change takes place would be interesting to determine, but these are the signs: many people working for the company have no stake in its growth—no identification with its success; they build up little bureaucratic empires dominated by Parkinson's law. Unproductive work increases—and it all looks very necessary. What taxes don't drain legal and accounting experts do, in seeking tax dodges. The invisible drain of rising rent may be written off in a number of ways. The bigness that is fostered by monopoly, special privilege and successful lobbying, turns to fatness, corruption and mindlessness. Nobody is responsible anymore, and if you want to find out anything, you have to travel throughout the whole fleshy dinosaur to reach a disappointing pea-sized brain. And then we hear about such-and-such a giant being in trouble.

All of which arises out of an economy that permits monopoly; that restricts opportunity; that makes mass production seem desirable since most people can't afford quality; and that is saddled with a tax system that punishes industry and thrift and rewards corruption and idleness.

—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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# Alice at the University

"YOU LOOK distressed," said Father William, "What have you been up to?"

"It's this book," said Alice, "Galbraith's *The Liberal Hour*. I'm studying economics and this is assigned reading. It's not liberal."

"What difference does that make," asked the old gentleman, "it's a nice name and Galbraith writes well. A title is to get people to read the book. *The Liberal Hour* is an excellent title. Conservatives will read it looking for subversion, and liberals will read it thinking it liberal."

"It says here," Alice went on, "that if we are to compete with the Communists we have to have more government control. He calls it government leadership but it's the same thing. I thought we were mad at the Russians because they have government control?"

"Bless my soul," said Father William, "you are naive. Surely you are old enough to know that if we are to beat the Soviets we must adopt some measure of communism. Besides, leadership is not the same thing as control."

Alice took a copy of the Oxford dictionary from her apron pocket and turned to the I's. She read, "lead, to force to go with one. There, what do you think of that?"

The old man puffed his cheeks. "Nonsense — that's what comes of attaching importance to words. They get the upper hand till you can't think . . ."

"And here," Alice interrupted, "it says that working people should be indentured for life to employers so

that the employers would give them good training. Then the employers would look after the schools, and education would benefit. It says there is plenty of work if only people were trained to do it. Schools could teach them the right way to work and then there wouldn't be any unemployment. Then with everybody working there would be lots of production and everything would be so cheap that even the unemployed would live well."

"Hold on there," the old man said, glaring at Alice, "I thought you said there wouldn't be any unemployment."

"I'm only reading what the book says." She was a bit frightened by the sudden truculence of her usually mild mannered friend. "It says there has to be unemployment to keep prices from rising too high and so that employers can find workers when they want them. But when they weren't actually working the government would give them money and things would be so cheap that they could have everything they wanted."

"Yeah," said Father William suspiciously, "sounds good. Where would the government get all this money?"

"Why," said Alice triumphantly, "from the sales tax. The manufacturing and commercial firms would pay the sales tax and then they would have a direct interest in how the money was spent. In education, for instance, they would insist on the very highest educational standards because it would be their money that

by URQUHART ADAMS

supports education. But then in the same essay it says that the sales tax would be passed on to the consumer. Do you think," she asked anxiously, "that Galbraith means that the manufacturers and commercial firms wouldn't pay the money?"

"In a sense they would." The old man smiled, enjoying her confusion. "They would pay the tax and then collect from the general public. It's like the old shell game, now you see it and now you don't. The hand is quicker than the eye and there's a sucker born every minute. Remember the tax collectors are professionals up against amateurs. The amateur hasn't got a chance."

"If that is true," mused Alice, "the big business men wouldn't care about education, would they?"

"No, I guess not. They don't like education anyway—it makes workers biggy. Is there anything else?"

"Well, I haven't got very far yet. But here is something. It says that stockholders don't count for much anymore. It's the manager who gets the money and prestige and status. The manager even appoints the direc-

tors who make him manager. This stuff gets curiouser and curiouser. What's the good of owning stock in General Electric if it don't get you anything?"

"I must confess that I am not an economic expert," replied Father William. "I was conditioned for flunking a statistical test and never finished the course. But I do think the Mad Hatter could explain everything for you. He has considerable arcane mathematical skill and an obvious lack of common sense — the best qualifications for academic economics. He is very clever, too, when it comes to controversy, as I think you found when you had tea with him."

"That is true, so if you will excuse me I think I will try and find him. now. I do hope I don't run into the Red Queen. Do you know," here Alice lowered her voice and glanced around furtively, "I think she is Khrushchev in disguise, just here to stir up trouble. And is she ever good at it." So saying, Alice took off down the corridor muttering to herself, "these creatures—how they get one confused."

### **PLEASE DON'T SAY YOU DIDN'T SEE THESE NOTICES**

The 30th anniversary banquet will be held on June 21st at the Governor Clinton Hotel in New York, beginning at 6:30 with a social hour. The dinner check will be \$6 and you are to reserve in advance please, if you want to be sure of hearing Harry Golden, who will be the principal speaker. Professor George R. Geiger will be the chairman, and a group of men, who, with Harry Golden, formed a Round Table Literary Club, will also be present.

### **—AND DON'T MISS THIS CONFERENCE IN PENNSYLVANIA**

Three weeks later you should be at Chatham College, Pittsburgh, for the eighteenth annual conference of the Henry George School. This conference is being co-sponsored by the Henry George Foundation of Pittsburgh, and those who were present in Detroit when a joint conference was held will remember it as an occasion of special interest.



# *a dilemma and a solution*

I HAVE been lucky. I have struck it rich in oil, the stock market, and real estate. I am worth 20 million dollars. After all manipulation and deductions I still have a taxable income of \$1,000,000 and the government takes 91 cents out of every dollar I report in excess of \$400,000. Of course I am not alone in this fix. There are approximately 4000 people who are paying income tax in the 89 to 91 per cent brackets, and 4,000 more who reach the 78 to 87 per cent brackets, and 10,000 who reach brackets between 75 and 84 per cent.

What am I to do to get some income that I can keep? I have bought industries and hotels. I control several banks but I can't keep any income. I will tell you what I shall do.

I shall borrow five million dollars from my banks, at 6 per cent interest. This adds to the banks' profit, and they pay only 52 per cent on that. I control the banks and keep the net profit in their capital structure. I pay the banks \$300,000 a year interest, but write it off against my income. It cuts my taxes \$273,000—net cost to me \$27,000 but I am building the value of my bank shares far more than that. If I need to I can sell some and pay only 25 per cent on the profit. I have plenty of collateral if it is demanded and the banks can deposit my promissory notes in the Federal Reserve Bank and get cash for them at the then current discount rate, perhaps 3 per cent.

But what do I want with \$5,000,000? I cannot buy tax-free bonds because inflation, figured as an offset against compound interest on such bonds over the last 20 years, leaves

me with loss of purchasing power and the indications are that such inflation will continue over the long term. I don't want to buy stocks. Good stocks yield 3 per cent before taxes and I made much of my money by selling them at a profit. I consider them now too high. What shall I do with 5 million dollars of other people's money?

I shall buy land. Any land is good enough, if it is bought at the right price. But I must get in before all the other people in my tax bracket get there and put up the price. Much land has already been covered.

I would prefer land in the outskirts of our cities. Suburban communities will be built all about my land and in time it will be very valuable. I will buy farms if they do not come too high. I would not be interested in renting them to farmers but would rather take them out of cultivation. This would please the Department of Agriculture. Income would do me no good.

There must be a lot of my kind of money around. Speculators must have taken home at least 100 billion dollars in the stock market in the last twelve years while the Dow-Jones industrial average went from 180 to 720.

What is beautiful about this is that it puts me in a special class. Poor people and people in the medium-income brackets cannot get in on it. Taxes and interest would eat them up. I just pay 9 per cent of each item and other taxpayers in the country pay the remaining 91 per cent. At my death the land is appraised (my heirs will see to it that it is not undervalued) and after that the new

valuation is substituted for cost in figuring profit on sales.

The land will increase in value as population grows and any time we choose to take the profit we pay only 25 per cent on it. But I don't have to wait for increase in population. As more moneyed people take advantage of the situation land prices will zoom, and I can't delay for we will have competition between buyers. The difference between investing in land and investing in capital is that as money flows into industry, increased

industrial facilities increase competition and lower profits. As money is converted to speculative land ownership, land on the market becomes scarce and prices go up. Eventually anyone who needs land for a house or for industry will have to pay any price we choose to ask.

Could you think of any more intelligent solution for a man in my circumstances? Since it does not cost me anything, perhaps I should do it on a larger scale.

S.N.T.

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## TAX STUDY FOR DAYTON PROPOSES REVALUATION AND GRADUAL SHIFT

**A**LBERT PLEYDELL, president of the Robert Schalkenbach Foundation and member of the firm of Management Services Associates, New York, recently completed a study for Dayton, financed by the Lincoln Foundation. The program presented to city and county commissioners dealing with relationships between urban renewal and real estate taxes, consisted of the following six main points:

**ONE**—The county should seek state legislation permitting a graded tax plan by local option.

**TWO**—The city should experiment with strict code enforcement in areas scheduled for slum clearance.

**THREE**—The county should keep statistics concerning sales of approved and vacant land.

**FOUR**—The city should study the advisability of leasing instead of selling cleared urban renewal sites.

**FIVE**—The county should explore the feasibility of an electronic system for assessment records and tax billing.

**SIX**—The county should seek to accelerate the revaluing of land, with

the ultimate goals of attaining a biennial schedule.

The Dayton Daily News carried a full report on Mr. Pleydell's recommendations with extensive quotations from this study begun two years ago. Importance was attached to his proposed graded tax plan which would gradually shift the tax burden from buildings to land to facilitate the valuing of land in terms of its best use. It was noted that property taxes designed to make slums unprofitable are now being used in several countries with the result that American cities too are beginning to consider tax laws as a slum clearance device.

The county was urged to keep statistics concerning sales of improved and vacant land because "the tax study disclosed a wide range of variations of indicated sale prices from actual tax values. This was particularly true of the prices for vacant land and improved land to be cleared for re-use. In these cases, the prices exceeded actual tax values by more than 100 per cent in some of the study areas."

# *What's Wrong With Algeria?*

by CLAYTON C. BAUER

ALGERIA has won her long-sought and long-fought-for independence though with continued association with France. The Western world may be puzzled, however, as to why the European settlers have been unreconciled to the agreement between France and Algeria. In half a dozen current books on the Algerian crisis one can hardly get a hint of the fundamental trouble.

This is not a racial clash between Moslems and Frenchmen. The cause of the conflict stems primarily from the private ownership of land, wherein the most valuable land has been expropriated by a small number of people of European origin. Oddly enough, most of these monopolists own bloodlines more closely tied to North Africa than to France.

Algeria had been ruled by the Turks for many generations when French troops subdued the country in 1830. The Turks were never noted for using a light hand when their tax collectors held sway, but the French rule did not ameliorate conditions. Indeed, for 17 years the French tried to stamp out the bitter resistance of the (largely) Berber people, whose resentment of exploitation is summed up in their saying, "my master is my enemy."

The natives, Arabized, hence persuaded to Islam, number 9 million. The European stock, about a million and a quarter, is of other religions. These differences are magnified out of all proportion, for lack of real understanding of the ills that arise out of private demands on community-created land values.

While Algeria is quite large in area, only a third of its land is productive. Of this latter segment a very

large part would be rated as marginal by our standards. Of the better lands an overwhelming share is monopolized by the one-tenth minority of European blood descent.

In this favored minority only 20,000 hold land. Of these "settlers" 7,500 own less than 25 acres, and barely make a go of it. The "real settlers," persons holding valuable land to some appreciable amount, number about 12,000. Only 300 non-Moslem settlers are rich.

But the riches of a mere dozen of the minority outweigh all the wealth of the others. This handful necessarily must own the choicest lands in Algeria. This could consist of country estates, but the real source of their fabulous income must come from city sites where the demands of many thousands of people create an enormous ground rent.

This pyramiding of land ownership, with a broad base of landless and a very thin topping of concentrated monopolization, repeated among the larger Moslem population, can have no other result than to effect grinding poverty for the millions; and riches, power and political preferment for the handful. Half the native farmers still turn the soil with wooden plows. Is it to be wondered at?

Real land reform is needed in Algeria. That reform must not consist merely of the minuter division of land holdings in rural areas. France herself suffered population declines and economic strangulation for two centuries because of this rural division of monopolization. Algeria will emerge as a stable nation only with the shifting of taxation off improvements and the recovery of ground rent for the whole community.

# Noah D. Alper's Brief Cases

## THIS IRISHMAN BURNED HIS HOUSE TO SAVE TAXES

Town officials laughed when Martin C. Reilly, a hot tempered Irishman threatened to burn his house down because of high taxes. But no one laughed when he sprinkled the 18-room house with kerosene and burned the 200 year old dwelling to the ground. There wasn't much anyone could do about it. He had obtained a burning permit for 50 cents, cancelled his insurance, cut off the utilities and removed his belongings.

Reilly was 51, a tavern owner who had not occupied the house for five years. He and his family lived in Pittsfield (Mass.) and used the old house for storage. He was incensed when local officials told him the assessment on it had been boosted from \$1,200 to \$8,600 under a new revaluation program.

The moral of this widely publicized news item is that people won't burn their houses down when taxes are levied only on land values.

## NOTE CONCENTRATIONS OF FABULOUS WEALTH FROM LAND

The Orlando (Florida) Sentinel reported on March 26th that the General Development Corporation had sold \$68 million of land and homesites in the state in the past year. General Development, the owner of 190,000 acres of prime land on both Florida coasts on which it had established eight communities, was formerly owned by Mackle Brothers, and was sold to interests headed by Gardner Cowles, the publisher, in February for a figure reported at \$8 million.

This was disclosed by the Central Florida Chapter of the American Ordinance Association as "another example of Central Florida's Growth." Normally there would not be much emphasis on a meeting of this kind, the Sentinel stated, "but the ordinance association serves as a liaison between industry and the military and it takes this kind of growth to support a chapter of this highly influential type of organization."

"Do we want this kind of influence," asks the friend who sent in the newspaper clipping.

## BOTH SIDES WILL TALK THE SAME TAX LANGUAGE

According to a recent Wall Street Journal survey there has been a drop in the building of individual homes since 1950 of 40 per cent. This is attributed largely to rising costs of land, with the average building site now costing two and a half times as much as in 1950, or an increase of 150 per cent. Even though "everything costs more," it was claimed that during the same period prices in general rose only about 20 per cent.

Labor, the newspaper of the Railroad Brotherhood, in an April 7th editorial, threw the spotlight on land speculation around Cape Canaveral where speculators are "reaping huge unearned fortunes." They then cited a quotation from an unemployment report in the Province of Quebec (to which friends of the Henry George School contributed) which suggested raising taxes on land held out to use.

"That land tax," stated the Labor editorial, "was proposed long ago by the economist Henry George, in his famed book *Progress and Poverty*, and is being used successfully in some countries . . . would it work the same here? It might be worth trying."

Yes, and one day, if such publications as The Wall Street Journal, Labor, Human Events, House & Home, The St. Louis Labor Tribune and others keep talking the same language about land speculation, it may, because it can, happen here!

# The Nature of Money

by WILLIAM HARRINGTON

TRUST derives its authority from the laws of God. It is the prerogative of the individual and not the man-made institution. As a moral element the rules controlling trust are absolute. Only the individual can qualify to bear the responsibility of conveying to other individuals the sanctified moral element of trust. This is the nature of the function of money. The privilege of the function of money can be entrusted only to those individuals possessing moral character of the highest degree. The particular moral character essential to the dispensing of trust is integrity. Integrity, therefore, is the nature and essence of money, and trust is the nature of its function. Thus the moral laws affecting the dispersal of trust are the nature of money itself and cannot be transmitted from the individual to an amoral, man-made institution, such as government. Thus we find that the "almighty dollar" rests not on the power of government to control but on subservience to the laws of the Almighty.

How can money be related to its function, as trust, in the exchange of values? As in all third-party payments the *use* of money, as distinguished from money itself, is subject to abuse by individuals. Money, or integrity, as an abstract and moral quality is limited by the absolutism that binds all moral laws. As a "third-party" phenomenon, its *use* represents

a substitute trust of the individual possessing the "money privilege" extended to a second party, who, in turn, extends the trust to a third person in exchange for values. This relieves the third person of the need for estimating the integrity of the second person. Thus the certificate of trust passes from the issuer of currency through the second to the third person, who now holds the certificate of integrity in trust, to be used in the future to complete a contract, without time limit or loss of value in exchange.

The difficulty in understanding money lies in the abstract and absolute quality of morals. The transaction proceeds through three abstractions before entering into exchange. The first abstract moral element is money itself (integrity); the second is the trust extended to another; and, the third is the *use* of the trust as *credit*. Credit is finally used to acquire the wealth of others and eventually the certificate of trust is redeemed in full by the issuer of the currency as evidence of integrity.

Thus money is integrity and the privilege of only those qualified to bear the responsibility of extending the moral quality of trust into the limitless exchange transactions throughout the world. It is essential to know what money is before we can understand the uses and abuses of it.

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We are pleased when readers call our attention to items in their local newspapers that seem to call for answers. Friends often ask us to write answers, but sometimes in this exchange of letters the topic "cools off." We are therefore even more delighted that so many are developing the habit of writing to their newspaper editors AT ONCE when they see an appropriate item to comment on.

# *The Henry George School in the News*

DETROIT director, Robert Benton, was gratified to receive a letter from Harry A. DeMaso, a Michigan Representative, regarding House Bill No. 663 which urges separate levies and different rates of taxation for all purposes on all real estate classified as land exclusive of the buildings. Mr DeMaso wrote, "I am quite sure this type of legislation will be enacted in the near future."

SYRACUSE in the midst of the spring term is busily planning for the fall term, which probably accounts for much of this new extension's success. In two current classes 31 copies of *Progress and Poverty* have been sold and an encouraging percentage of Syracuse students request subscriptions to HGN.

Manny Chopper, who was the only instructor in the beginning, is showing no lassitude as a Henry George enthusiast. In two months he made five talks; some to luncheon clubs, one on a radio program and one to staff and field men of a cooperative milk producers bargaining agency.

NEW JERSEY'S Gargoyle continues to be more interesting than it looks! This is almost the only Georgist publication which still believes in leavening the somber subject of economics with humor (salt of the earth), such as, "Remember, America is a land of untold wealth"—motto of the Bureau of Internal Revenue. Oscar B. Johannsen in another of his probing articles stated "The real monopoly at which the anti-trust laws were directed was the land monopoly."

ST. LOUIS director, Noah D. Alper, under the imprint of the Public Revenue Education Council, has

issued an arresting 4-page pamphlet on Tax Education in which he says tax-confusion is based on a background of man-made taxes instead of the natural economic factors of production. Common sense tells us that we do not need so many varied taxes (an extensive list is given) to draw revenue from two basic sources, land and labor.

SAN FRANCISCO sooner or later will certainly be alerted by the repeated warnings of Robert Tide-man, executive secretary of the Henry George School. Typical of his incisive exposures was a commentary broadcast by radio station KPFA in Berkeley in January where he scored Berkeley for employing its own assessor instead of using county valuations for the city's taxes. Land assessments in Berkeley from 1950 to 1960 increased by only 18 per cent compared with increases of 32 per cent in improvements and 120 per cent in personal property. Use of county valuations for city taxes was advocated in a report by the Commonwealth Club (reviewed in March HGN, page 8) as a way of increasing revenue without increasing taxes for the average home owner. The only ones who would pay higher taxes, he said, would be those who are not making good use of their land. This would include such owners as speculators and slumlords.

SAN DIEGO'S Henry George School has donated 40 copies of *Progress and Poverty* to Mt. Miguel High School at the request of the principal, following an address by the school's director, Dr. Robert V. Andelson, to the senior social problems class. The books are to be used for assigned classroom reading.



# "Let's Stop Wasting the Land"

JOHN A. WOERPEL, editor of the Home Sections Department of The Detroit Free Press, was the speaker at the winter term completion exercises of the Henry George School at the Whittier Hotel in Detroit in March. His topic, "Let's Stop Wasting the Land," was elaborated upon extensively in the Real Estate and Building section of The Detroit Free Press on April 6th, when he emphasized the fact that "land costs drive building far out."

He began by citing oft-quoted and invaluable figures from the House & Home magazine of last August, noting that land prices have risen as much as 4,000 per cent in some areas since 1950, while, in comparison, labor costs are up 60 per cent and materials 25 per cent.

The Federal Housing Administration claims the typical FHA-financed house has risen \$1,768 in price over the last five years and one item — the site — is said to be responsible for \$707 of this, or 40 per cent. In other words, "the price of the house alone rose only 9 per cent, from \$11,500 to \$12,570, but the price of improved sites, with sewers, water and streets, has gone up 37 per cent (from \$1,887 to \$2,600) and now makes up 17 per cent of the total cost of the house."

Mr. Woerpel blames the high prices partially on the fact that land is wasted. A study by the Advance Mortgage Corporation reported 79,100 vacant dwelling units in Detroit and environs — however that represents only 4.5 per cent in really useable housing. On a national basis a census report indicated that some 13 million lots were vacant in 1955.

The author noted William Zenken-

dorf's remark that the bull-dozer was the best invention that came out of the war, because with it home sites have been created on hillsides, in valleys and other hitherto unusable areas where prices now range as high as \$30,000 for "picturesque homesites" with "breathtaking views."

It turns out that much downtown property is also underused in many cities, and such property, if reclaimed, could cause cities to "grow back inward." Fort Worth is mentioned as an example where a "derelict land reservoir was big enough to provide space for a belt highway, parking garages for 60,000 cars, green belts, a 300 per cent increase in office space, 80 per cent more hotel space and new civic cultural and convention centers."

In this article Mr. Woerpel makes good use of an example given by Winston Churchill to prove that "all goes back to the land." On a bridge in London there was a toll bar where everyone had to pay ONE PENNY. The spectacle of so many poor people mulcted of their earnings aroused the public conscience and the toll was removed, with the result that within a short time rents on the other side of the river were raised an amount equal to the saving in the toll.

This editor seems to agree with the author of a recent book, *The Future of Our Cities*, Robert A. Futterman, who would meet the land waste in cities by "high density housing" which he says is "not necessarily so barbarous and degrading as the medievalists and the 'garden city' folks always claim."

In a discussion of the Australian system, where land is taxed to penalize the owners for failure to make the best use of it, he refers again to

author Futterman who, though he believes "real estate taxes can be made to serve planning purposes and cites the land tax as an example," nevertheless doubts whether such valuations would function as desired in the U.S. or if indeed the system would be constitutional. Mr. Futterman thinks "there is danger that the slumlord, stung by higher taxes, would merely crowd his residences further and suck more blood from his tenants to maintain his profits."

Mr. Woerpel concludes by describing a method used in Kansas City where a 10-year exemption from taxes was allowed on improvements when the Quality Hill apartments were built. They will pay real estate taxes

only on the valuation of the land before the new buildings went up. For 15 years the taxes will be half the valuation of the improvements, and a quarter of a century hence the customary valuation procedures will be applied.

While some have called this a giveaway, he points out that the city was receiving very little revenue from the unimproved land and will receive the same taxes on the new development from the beginning. Eventually the city tax rolls will rise by the value of the improvements, but in the meantime the services required by new tenants are, if anything, cheaper than those needed by occupants of the slum properties.



### AUSTRALIA'S DREAM SCHOOL

Australian Georgists have for many years dreamed of "a home of their own," and now we read in *The Standard* that their dream is being realized. A building fund started twelve years ago made possible the purchase of a building, which, though unsuitable for classes, was later sold at a profit. The proceeds were reinvested and added to, but while the fund increased, value also accelerated rapidly.

When hope was dwindling it was revived by H. T. Blackwell who suggested "acquiring a Crown Holding" in an outlying section, as a memorial to his son. This he visualized as a summer school to be set in pleasant wooded surroundings. Rigid economy was necessary in carrying through the almost insurmountable task, and there were many frustrations and anxieties, but now after much careful planning there is an adequate building, nearly completed, to be known as the Terrey Hills Summer School, with a spacious assembly room and wide verandas, set in a panorama of timbered hills and valleys.

### WORLD LEPROSY

A new book has come to hand: *One-Sentence Economics and World Leprosy*—The Untaught Science, by Howard W. L'Hommedieu, of Chicago. The "world leprosy" is poverty and disease, and the author explores fundamental economics for the remedy. He dedicates his book "to Henry George, Herbert Spencer and the founders of the early Chinese legal system, who, in their separate fields, established the conditions of justice."

This is a cloth-bound book of 148 pages, illustrated with drawings, some of them rather shocking, but the problems being described are shocking too! No price appears on the book, but the following address is given on the title page: Public Press, Box 71, Arlington Heights, Illinois.

# Danish Agricultural Crisis

by PAVLOS GIANNELIAS

FROM the folk school in Odense (Denmark) and elsewhere have come a number of reports indicating that even the present partial application of Henry George's proposal to "abolish all taxation save that upon land values," has produced good results. It has intensified the use of fields already tilled and brought under cultivation fields not formerly tilled because of unjust taxation. Harold Gornborg, director of the folk school, published a yearbook with a fully authenticated study to prove that the yield of small farms is proportionately higher than that of larger ones, despite the improved agricultural machinery and administrative advantages the larger landowners enjoy.

The annual yield for a small farm under 25 acres averages 35 per cent more in the three chief products: wheat, beets and hay, than the farms of 250 acres and more. It was shown that small farmers raise on an average 84 cows as compared to 35 on the large farms, three times as many pigs, and 20 times as much poultry.

The per-acre land tax rate (there is no tax on improvements) is nearly equal for farms of both sizes, but the small owner pays a per-acre income tax twice as high as that of the large owner. Those who feel this disadvantage will cause small farms to fail, are of the opinion that small farmers, not being able to continue, should combine into larger units—and the large owners are asking for discontinuance of the present land value taxation.

The author of the yearbook points out that even the smallest farms of 5 to 7 acres could provide a living for a family if a complete land value

tax reform could be effected. The main reason why the yield has been proportionately high on small farms is that the farmer and his entire family have worked long and willingly under the favorable incentive of the tax reform.

Large landowners as the chief sellers of wheat introduced a customs duty on wheat that brought the country two million dollars in revenue. As a result all consumers, including especially the small farmers who bought wheat for cattle-feeding, were charged an exorbitant 10 or 12 millions annually.

The Justice party brought this question up for discussion in its publication, along with the proposed common market participation. The former deputy, Niels Andersen, and other Georgists acquainted with Danish agriculture, while not opposed to a united Europe, are not in favor of free trade and low customs duties between the members of the Common Market *only*. They would prefer to extend them to outside countries as well. They have good reason to fear that the restrictions, both social and economic, that will be forced upon them, will cause a drop in agricultural prices and a rise in cost of living and land prices. Thus Denmark would of course lose all she has already gained through the limited land reform.

Another expert, Mads Sig Steffensen, member of a special agricultural commission, was opposed to the decision of the majority which was to let all small farms under 17 acres unite into combines of 60 acres. He compared the average yield on the small farms from 1934-39 with that of 1945-59 and recalled that the average

production on small farms increased in those twenty years 36 per cent as against a mere 11 per cent per-acre increase on the large farms. This made a gross increased output per worker of 79 per cent among small farm workers compared to a 33 per cent increase among large farm workers. Despite this average increase on the small units, however, the over-all yield from large farms still exceeds the total yield from smaller ones by 25 per cent, which is understandable owing to the vastly larger acreages.

Both Steffensen and Gronborg agree however, that there is an economic, social and human advantage in maintaining the farms of 17 to 30 acres, particularly since 19 per cent of Denmark's farms are under 12 acres in size. This is in marked contrast to England where 32 per cent of the farms do not exceed 12 acres.

Steffensen concludes that the best way to resolve these questions is not by attempting to combine small farms into big ones, but by applying the full land value taxation.

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#### UNIVERSITY OF PENNSYLVANIA COLLECTS DATA FOR SCHOLARLY RESEARCH ON LAND VALUE TAX

A collection of original source material and other publications on the current land value taxation movement will be started by the University of Pennsylvania, according to President Gaylord P. Harnwell of the university.

The material will be housed in the Lippincott Library of the university in Philadelphia under the direction of Mrs. Eleanor B. Allen of the library.

President Harnwell said that Dr. David T. Rowlands of the Wharton School of Finance and Commerce of the university had recommended the acceptance of material to start the land value taxation collection, and that Dr. Rowlands recognizes the value of the collection for research scholars.

Dr. Rowlands, according to President Harnwell, is planning to write an article in the field of land value taxation.

Materials now being gathered for shipment to the University of Pennsylvania to inaugurate the land value taxation collection come mainly from the files of the Incentive Taxation Committee of California, the Graded Tax League of Pennsylvania, the Michigan League to Untax Buildings, the Erie (Pa.) Land Tax Association, the Boston Land Value Taxation Committee, and from private individuals.

The University of Pennsylvania decided to begin the land value taxation collection at the suggestion of John (Jack) Motley of San Diego, California, an alumnus of the university.

#### ERIE "HARD-TO-WIN" NEWSPAPER PRINTS FAVORABLE EDITORIAL

Following the announcement in the February HGN that weekly study meetings were being arranged in Pittsburgh to explore the practicality of land value taxation, a clipping from the Erie Morning News has reached us with favorable comments, about an all-day tax seminar, under the heading "Land Value Taxation Study Should Be Encouraged Here."

Calling the seminar an encouraging sign to the heavily loaded taxpayer, the newspaper reported that the plan had considerable merit. Readers were assured that neither the city or county government would leap in without giving taxpayers a chance to be heard, but it was stated that the fast-growing population had swallowed up much of the land so readily available in Erie until about a decade ago. "Any taxation system which spreads the burden is worthy of further examination," was their conclusion.

The Erie Times-News also carried favorable comments about the land value tax plan which was seen as an "economic cure."



Under the Impacted Areas act the federal government is contributing to the cost of public school systems in communities which, they claim, have had an influx of government employees and defense industry workers. This system has become very popular with U. S. senators and congressmen because it provides a "pork barrel" with which they can buy votes in their states and districts. Money from Uncle Sam makes it possible to cut or hold down local school taxes.

If Congress passes the general aid-to-education bill, a lot more money from the Treasury will replace local school tax money for public schools all over the country. This will run into billions of dollars and will inevitably increase as time goes on, because most people like local tax cuts and think money from Uncle Sam is free.

Local school taxes are largely real estate taxes, part of which fall on land values. Not one cent of federal taxes falls on land values as such.

The more federal tax money is substituted for local school tax money, the lighter will be taxes on land values. As a result prices will keep going up because landowners and speculators will be encouraged to hold land for higher and higher prices.

Isn't this worth mentioning to the "liberals" who laud the "impacted areas" contributions and the "aid-to-education" bills?

ALBERT H. JENKINS  
(Labor Newspaper)  
Washington, D.C.

It must be expected that with the collection of ground-rent by government one of the stoutest props will be removed from under the interest rate.

There would remain only the other prop, which is the monetization of public debt through interest-bearing government bonds.

If and when interest depends exclusively on the economic advantage that individual capital assets can procure to the user, the interest rate will tend to a low level because of the tendency of the marginal efficiency of particular capital assets to disappear with the general or universal adoption and utilization of particular assets.

ERICK S. HANSCH  
Portland, Oregon.

While helping in the library in the Henry George School is, in itself, a rewarding experience, it was both a surprise and a pleasure to be presented, on March 28th, by our school director, Mr. Clancy, with a small, but life-like, copper-tone bust of Henry George as a token of appreciation. Cataloging the large accumulation of pamphlets addresses, newspaper clippings and other writings by Georgist authors, covering a wide span of time and territory, has but served to fortify my faith in the urgent need for Georgist reforms to hasten the end of poverty and war.

The school cordially invites any and all persons who are in possession of articles pertaining to the work of Henry George to communicate with our director or the librarian, Muriel Fuller. Information which we do not already possess, duplicates of valuable documents, are always welcome. Our library doors are wide open; come and visit us often.

MABEL L. REES  
New York City



(Continued from page 1)

Catherine Drinker Bowen (above), author of *Yankee from Olympus* and other books, was present and said that as a Philadelphian she was interested in the city's historic monuments. It meant much to her to visit the birthplace of a great man like Henry George, and her visit, she said, has inspired her to make a deeper study of George.

Another speaker was Grant N. Simon, Chairman of the Philadelphia Historical Commission, who referred to the extensive work of preserving historic monuments being undertaken in Philadelphia. He expressed the hope that a complete job of restoration could be done on the Henry George Birthplace.

Another tree dedication was recalled by Robert Clancy, New York director, who spoke of the Henry

George tree in Central Park, which was planted and dedicated in 1946. A frail little thing it was then, but now it is large and flourishing and close to being a "mighty oak."

Joseph A. Stockman, Philadelphia director, read a poem sent by Mabel L. Rees for the occasion, which drew a parallel between the growth of the tree by laws of nature and the ultimate establishment of justice, also ordained by natural law:

"Enclosed within its tenderness  
And seeming lack of strength,  
A mighty force will take its course  
And blossom forth at length."

Also suiting the occasion, Mr. Stockman read a little prayer he found at the YMCA, which may serve as a corrective for too much impatience: "... Remind me to look upward at the towering oak, and know that it grew tall and strong because it grew slowly and well. Slow me down, Lord!"

A guide to Philadelphia, put out by the Federal Reserve Bank of that city, includes this item by William Boehner who was present at the dedication: "Economists would prefer to walk south on 10th Street to visit the birthplace of Henry George at number 413, known for his studies of poverty. Author of 'single tax' theory, he strongly influenced many later movements for economic reform."

A dinner followed at Kugler's Restaurant, at which all guests were called on by Mr. Stockman to say a few words. A bust of Henry George was presented to Miss Lucia Cipolloni, by Robert Clancy, in recognition of many years of devoted voluntary service to the Philadelphia Henry George School.

Mr. Robert Clancy,  
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