

the Henry George News

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"I Have Kept the Faith"

HENRY GEORGE, JR., author of a splendid biography of his father, was honored at the school headquarters in New York in celebration of the 100th anniversary of his birth on November 3, 1862. The occasion was dramatized by a number of surprises, including the presentation of the sea chest used by George when he went to sea as a boy of 15, and by the name plate from the Liberty Ship "Henry George." The chest will "go home" to the little house on South 10th Street in Philadelphia where he was born, and from which he sailed away "to see the world." On that voyage he wrote a letter to "Aunt Mary," and described his surroundings in a manner which already showed promise of the fine prose style that was to characterize his later writings—and as he wrote, he rested his paper on the now well-worn sea chest.

Henry George, Jr. has left to us a distinguished family whose members have honored us with their presence and affection. His son, Dr. Henry George III of Wilmington is as earnest in his service to humanity as were



Jane George Werner

his father and grandfather. He and his wife, Mary Jane, unfortunately found it impossible to come to the dinner, and they were missed as were their sons John, a student at the University of Chattanooga; and Henry IV, a graduate of the University of Tennessee, now at the College of Osteopathy in Philadelphia.

Mr. and Mrs. Henry George, Jr. had two daughters, Mrs. John Peirce of South Pasadena, California, and Mrs. Paul Werner of New Haven, Connecticut. Mrs. (Jane George) Werner was the only relative present Saturday evening, November 3rd, and she brought a tender memory-vignette

(Continued on page 14)

A Word With You

OSCAR GEIGER, founder of the Henry George School, used to say that the economic thinking prevalent in his day was comparable to the "witch doctor" stage in the development of medicine. This seems like a harsh thing to say, but let us take a closer look.

The witch doctor was not all bad. For minor illnesses, his herbs and potions probably did some good; and insofar as the illness was psychosomatic his masks and incantations sometimes had the proper effect. The ineffectiveness of the witch doctor came when something happened beyond his limited scope—a blighted crop, a drought, or an epidemic due, say, to polluted drinking water.

In this context, the comparison with economists is not too bad. Economists do know something. They can tell us about supply and demand, savings, investment, corporate growth, etc. It is when the economy suffers those frightful periodic catastrophes, "booms and busts," that our economists begin to show like witch doctors. It was with masks and incantations that the depression of the 1930's was exorcised. We are told on high authority that we must not be afraid of depressions, because that fear will bring on a depression. Other high authorities tell us that we *should* be afraid of depressions, because our fear will *keep away* depressions.

If our television set isn't working properly, we don't bow our heads and pray that it will work; we call the repair man. If our car breaks down, we don't sprinkle incense on the motor and mutter incantations; we're more likely to mutter imprecations and try to get it to the nearest service station. But in our national life a popular slogan is "Pray for Peace," while everywhere are the sounds of war. And dozens of conflicting incantations are chanted over a falling stock market.

A good deal of the public counsel of economists is like the "sympathetic magic" of witch doctors—that is, imitating the effects that are wanted in order to induce the actual occurrence of those effects—instead of looking for causes. On the esoteric side, another kind of magic is practiced—the jargon, graphs, charts and mathematical formulae of professional economists when talking to one another. This procedure is in imitation of the established sciences without the trouble of really being scientific. No new laws are discovered, no systematic progress is made, no knowledge of the unknown is carved out bit by bit.

And so, while certain techniques for compiling information may have improved since Oscar Geiger's day, our economists by and large have not come a very long way out of the witch doctor stage.

—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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HENRY GEORGE NEWS

THE CRISIS CENTURY

by OSCAR B. JOHANNSEN

ALMOST from its very beginning, the Twentieth Century has been involved in one crisis after another—World War I, the Russian revolution, the depression, World War II, the Korean war, and today, revolutions or near revolutions all over the globe. The Cuban Crisis has literally set the whole world on edge for fear that it would erupt into a devastating nuclear war, while the fighting between China and India has created another serious emergency with no end in sight. Crisis follows crisis with bewildering speed, so many, in fact, that some day historians may well label this century, "The Crisis Century."

It would be easy to say that Communist Russia is responsible for these explosive disturbances. The U.S.S.R. certainly has played a part in stirring up trouble, but actually its Machiavelian machinations succeeded only because conditions were ripe for social upheavals. The seeds of unrest could never have sprouted if the soil had not been fertile, so the hope that the destruction of Soviet power will result in a return to sane, peaceful conditions is a vain one.

These eruptions are surface manifestations of the social and economic diseases plaguing the nations of the world. Most Georgists believe that the crises are due to the denial of the free access to land under conditions of equal opportunity for all, and they bemoan the fact that few appear to recognize this. It certainly appears that an unjust system of land tenure is at the root of most, if not all, of the recent upheavals. The revolution in Cuba was sparked by the hunger of the peasants for land; the Algerian rebels were primarily the landless; and the unrest in

Brazil is apparently the precursor of a fight which is brewing between the landless Gauchos and the landowners. Wherever you turn, if you look beneath the surface, you note the desperate hunger for land.

There is probably little doubt that basically the fundamental cause of these crises is the land problem. But since there are other causes, scientific precision requires that we be more circumspect in our claim. The weight of the evidence is such that we have a right to suspect that many of the difficulties confronting these nations have their roots in the treatment of the land and would probably disappear once this primary injustice was resolved.

It may be that some awareness of the land problem is nearer at hand than is generally realized. The fact that governmental reports of conditions in underdeveloped countries time and again point out that land must be made more easily available to the people may be a straw in the wind. House & Home's special issue and The Reader's Digest's forthright article on land speculation this past July may be clues that attention is slowly focusing on the land.

If this is so, however, Georgists must hardly expect that the millennium is at hand for we have to deal with men and not angels. It is a sad quirk of man that he never adopts sound ideas in their pure form. He always seems to hedge them with restrictions so that he never quite obtains the results anticipated. In implementing the principles of the Declaration of Independence, the Founding Fathers actually wrote a constitution which permitted slavery to exist. Because many of the concepts

of the Declaration were adopted the results attained in America were far superior to those in any other nation, but they were not what they would have been if these principles had been carried out in their entirety.

A "free trade" bill has now become the law of the land and will result in the reduction of many tariffs, which is highly desirable. However, the bill has been hobbled with so many provisions to subsidize those presumed to be harmed by the removal of tariffs that in the long run it may do more to harm *true* free trade than to implement it.

In dealing with the land problem, something of the same nature could very easily occur. For the sake of political expediency, land might be bought with bonds. The result would be that the economic rent could wind up in the hands of the bondholders. Zoning and other restrictions designed to protect the rights of land users might be enacted, and these would tend to vitiate the advantages which would come with making access to land easier. In other words, land would not really be free any more than trade is likely to be free under the present "free trade" act.

This is no reason for Georgists to lessen their activities in educating and fighting for a freer world. It merely points up the fact that it is

essential to emphasize that half-way measures will never attain the desired results. Also, it indicates the importance of making crystal clear that the reason we stress a proper system of land tenure is not because of some unreasonable partiality toward one phase of economics. Rather, it is because we recognize that an indispensable prerequisite for freedom is a sound system of land tenure, and only that system which grants the greatest freedom of access to the earth, with equality of opportunity to all, will bring about the results desired.

Until it is definitely proven that access to land is not involved in the perpetual crises we are undergoing, Georgists have a right to insist that the first step to be taken should be to make land freely available. After this is done, if social disturbances still occur, then man will have to look elsewhere to discover why he indulges in such irrational behavior as slaughtering his fellow man. Until that time, Georgists can hardly be criticized if they assume that the land problem is the most important factor in the upheavals of the Crisis Century and that its solution during the latter half of the Twentieth Century is necessary if man dares dream of making the Twenty-first Century one of opportunity and freedom for all.



The loss of Robert C. Bowers of Pittsburgh, as a friend and worker in this movement, is a tragic blow. His death on October 27th ended a life of service that will be commemorated more fully in our next issue.

Mrs. George Olcott, a long time member of the Henry George Woman's Club of Chicago, died on August 16th in California. Her husband published the *Blue Book* on land values, well known to every real estate dealer in Chicago. At his death in 1942 his son Ralph, of Wilmette, took over this important work.

Mr. Smith Rides a Hobby

(Engineers and others, please copy)

BENJAMIN F. SMITH of Grand Rapids, Iowa, a consulting engineer who for the past twenty years has been studying land values and taxation as a hobby, made an address before the Community Council in September which caught the attention of the local press and the City Commission. The Finance Committee Chairman said Mr. Smith's ideas and his suggested use of a city-wide land value map merited serious consideration. He was formerly the director of the Henry George extension in Grand Rapids.

In a newspaper report it was noted that Mr. Smith is under tremendous pressure from downtown merchants in "closed door" meetings to keep assessments down, and said they should be forced to show figures publicly. "You should be able to change assessments at least once every six years as at present. It would yield returns many times greater."

He took up in detail the city's assessment problems and the importance of land, as well as the importance of principles, and proposed making the city a better place in which to live by following the principles of the free enterprise capitalistic system—not the Marxist method which kills incentive. Specifically he proposed lower taxes on homes, factories, inventories and all things created by men; and to replace lost income he suggested raising taxes on land, the value of which is created by society. He then outlined two methods. The first involved a long range plan—a change in the state constitution to give local option to tax land and improvements separately. For instance, land might bear a 80 per

cent tax, improvements only 20 per cent.

Mr. Smith gave a great deal more attention to his second proposal however—an assessment reform which simply complies with present laws to assess land uniformly with improvements. By law, he said, assessments must be at 100 per cent of value, and he noted that Grand Rapids is now assessing improvements at 33 1/3 per cent to 50 per cent, inventories at 66 per cent, and land under 10 per cent. "We should assess land higher now," he said.

Estimating Grand Rapids land value at more than half a million dollars, he charged that not even the city assessor knows the value of the city's land. Because the total city, school and county budget for Grand Rapids residents is less than \$20,000,000, even a 5 per cent economic rent on land would cover the local government expense.

The speaker gave some interesting figures, as: an increased tax on land value cannot be passed on because it brings in new competition, and no one can raise prices in the face of new competition. He feels this is proved by the results of site value taxation in Australia and New Zealand, also on a small scale by Pittsburgh, Johannesburg, California's Irrigation Districts and more recently in Southfield, Michigan. The present tax system he regards as a "feudal" one which taxes creativity and does not follow incentive principles, whereas his suggested reform would result in natural urban renewal, increased building, improved social conditions and higher living standards.

He illustrated his premise by put-

ting an imaginary 60' x 145' lot in three different areas in the city. In the outskirts it would be worth \$50; in a decaying neighborhood \$2,500; in a fine residential section about \$5,000; opposite a junior college \$22,000; downtown \$100,000. In a slum area he estimated it would be worth \$5,000 because of the population density.

He then placed his imaginary lot within walking distance of downtown. Its gravel surface, unimproved, was used for parking to yield \$2,016 a year in pure economic rent. "What is the value of the land," he asked. "How much money at 10 per cent will give you \$2,016 a year? By this method, called capitalization, we get the land value of \$20,160. If we use a figure of 5 per cent it's \$40,320."

Then he posed a more difficult example. Placing the same parking lot right in the downtown area, the gross take is \$8,400 a year, but there are costs up to \$1,000 for asphalt, lights, etc. The annual capital return is \$100 a year, or 10 per cent of \$1,000—labor at \$80 a week adds \$4,000 a year making a total of \$4,100. The economic rent equals the total take less capital and labor costs—\$8,400 less \$4,100 or \$4,300 in economic rent. Its value—capitalizing the rent at 10 per cent, equals \$43,000—or at 5 per cent, \$96,000.

He then hypothecated a house on the lot, and placed it again in different locations. Rentals would vary from \$70 a month to \$120 in the best residential area. He subtracted \$70 from \$120 to produce \$50 a month as the economic rent.

The same house in the slum district might house two or three families, with a combined rental of perhaps \$120 a month, and the economic rent would equal that of the best area—proving that land values in the rundown neighborhoods are very high.

He referred to much of the city's land as not being put to its best use, and said vacant land, vacant buildings

and slums were deliberately assessed low—vacant land below 10 per cent, cushioning the load for the owners.

Going back to his early proposal that all real property should be assessed at true value, he said if land were assessed at the same ratio as other property the taxes would rise by 200 to 300 per cent or more, and taxes on homes and improvements could be reduced.

An increased land tax he asserted would solve serious problems resulting in lower land prices, new buildings, improvements, rent reductions and the end of slums. He then pointed to one specific local example of poor assessment, where one of three parcels, 3.7 acres with a shopping center, is assessed at \$8,260 an acre, while an adjoining parcel of 13.7 acres, partially graded and earmarked for shopping expansion, is assessed at \$2,600 an acre. The third with a gas station on its .4 acre is assessed at the rate of \$25,500 an acre. The vacant land, Mr. Smith believed, is deliberately assessed three times too low.

According to the City Assessor the oil companies "are notorious" for paying high prices for corner lots, he said—and that is his excuse for not determining their value. But since this "notoriousness" occurs time and time again Mr. Smith suggests that the value is determined by this very frequency. He recalled that several assessors once did exploratory work on a parking lot and came up with the unbelievable figure of \$1,000,000 as the value of a very small corner. This was so high, that even though they had calculated it objectively, they were "afraid" to use it."

If land were to be assessed uniformly and correctly at 33 $\frac{1}{3}$ or 35 per cent as in the case of homes, the city could expect at least three and a half million dollars, said the engineer, which on a total budget figure for city, school and county should give a tax reduction to improvements up to

20 per cent NOW. Looking ahead he estimated that the possibilities of taxing land four times as high as improvements, would make land taxable at a round 3.6 per cent of value, or \$36 per \$1,000, and the levy on buildings and improvements a mere \$8 per \$1,000.

So Mr. Smith's luncheon address

calling for a "clear directive" by the City Commission and the City Manager to support aggressive leadership by the assessor's office in assessing land on the same basis as other property seems to be bearing fruit. At least the Finance Committee is studying the proposals growing out of one's man's hobby.

Noah D. Alper's Brief Cases

MORE OF "SOMETHING FOR NOTHING"

Senator John F. Williams (Rep.) sharply criticized the government's emergency feed-grain program as a "new frontier boondoggle," stating that only very large farming units could cash in on the program. Some 700 farmers received over \$10,000 each for taking feed-grain acreage out of production last year. Billie Sol Estes, for instance, got \$22,875. The figures for this "something for nothing game" are from U. S. News & World Report.

ECONOMICS BENT BY A PRINCE

A few years ago Prince Rainier of Monaco turned his principality into a virtually tax-free haven with no individual income or corporation taxes for permanent residents, no excess profits and capital gains taxes. As a result, more than 2,500 business firms have moved into Monaco which has only 2,700 citizens (almost one registered corporation for each citizen). Many corporations have been established there to avoid taxation in France. To house them many skyscrapers have been built in an area of only 375 acres. Naturally land prices have boomed to where they are now \$1,000 a square yard.

According to Parade's Special Intelligence Report, Rainier's personal fortune has doubled five times in the past 10 years as a result basically of this untaxing policy. President de Gaulle is "putting the screws" on Prince Rainier and wants this principality subject to French tax laws. Once this happens, Monaco loses its tax-free status, the real estate boom dies, the foreign residents flee, and Monaco becomes "the poor postage-stamp principality it once was."

"LAND GRAB BILL"

"Relief for Residential Occupants of Unpatented Mining Claims," notes the Labor Newspaper in Washington, is the title of a bill which Representative Dingell of Michigan said, in House debate, would in effect give at least 2.2 million acres of public land to individuals who have no legal right to it.

Under the "guise of staking out mining claims" pieces of land in the national forests and other areas belonging to all the American people have been grabbed for summer homes, hunting and fishing lodges, permanent homes, and other purposes which have nothing to do with mining. Representative Dingell pointed out that holders of some of these fictitious mining claims are even arrogantly demanding that the government pay them millions of dollars just for permission to let U. S. Forest Service employees cross their claims to get at valuable timber in national forests.

Congressman John P. Saylor of Pennsylvania called attention to the fact that the General Accounting Office said its investigation had revealed that the so-called mining lands were being used, not only for homes, but "for townsites, orchards, restaurants, a real estate office and other commercial enterprises, farming, a house of ill repute and a nudist colony."

It seems supporters of the bill claimed its passage was "necessary to prevent 'hardship' to the mining claim holders, some of whose families have lived on these claims for several generations without doing any mining."

The bill went to a conference committee after the Senate refused to accept the House version.

Six Nations in a Trade Pact

*An effort to make a federation
out of Europe's Common Market*

A EUROPEAN movement for federation represented by 350 delegates held its ninth congress in February in Lyon (France) at a focal point for transportation routes from the six countries—France, Italy, Germany, Belgium, Holland and Luxembourg.

Pavlos Giannelias, a well known French Georgist, listened to the discussions with interest, and without going into the many political questions he gave us a brief report on some of the chief points brought out by the experts.

This federation aims at an extension of loyalty beyond national boundaries and also beyond mere "business and bargains," such as are the concern of the Common Market and other commercial group efforts. The federation is concentrating mainly on needs, standards and probable buying power of the "forgotten consumers." It is encouraging that since the first step to union the turnover in many industries has increased by 50 to 75 per cent.

Mr. Giannelias believes a European federation should avoid at any price the situations that have caused hardship to the majority of separated members. When noxious factors have to be abolished it is best to abolish those that restrict human rights and personal liberty. Social justice consists of recognition of the results of individual labor. But at present among the six countries in the federation, individual rights are violated most flagrantly, with levies of taxes out of all proportion to what has been gained. Income tax levies, for instance, make no distinction between wages earned as a result of individual labor and rental from land created by the activity of

others. Real estate taxes also do not distinguish between the true "non land" capital produced by labor and the increment from long held land.

To date, writes Mr. Giannelias, the only "European tax" which applies to the several countries is one on the Common Market transactions. This is unfortunate because European economists recognize that this "turnover tax," which falls on the immediate necessities of life and most heavily on the economically weak, is the worst way to raise money for the government. Nevertheless about two-thirds of the budgets of the six nations are raised in this manner, whereas the levy on land value which would be the simplest and most warrantable, is scarcely considered.

Paradoxically the authorities of the six nations extol "free trade" between their own members, while the Common Market is a customs union with protective levies on goods from the outside, calculated on an average basis. Members already federated, and future ones whose exports have risen or will rise, run the risk of being obliged to elevate the tariffs again.

The six Common Market members have protective tariffs against outsiders, and while this may be good for the governments and a small number of privileged people, it harms the average consumer within the area. For instance the Germans now pay higher prices for chicken parts which they formerly got cheaply from the United States, owing to tariffs favoring some other member of the Common Market. Domestic consumers and taxpayers must in some cases pay four times as much and more for imported goods, for home produced goods, and also for wares produced at home and ex-

ported to foreign countries. That fine, Mr. Giannelias reminds us, is paid not once but often over a long period.

At a meeting in Brussels certain favorable decisions were made pertaining to agriculture but no mention was made of the reasons why large sections had remained idle, and peasants were advised to move elsewhere. The system of taxation now widely in effect calculates rates on average yield; thus properties with higher than average yield benefit, while those under the average suffer increasingly from this disparity. In a word the rich become richer, the poor, poorer, and the most diligent are fined.

Something of this kind applies also to land and buildings. The owners of the better sites enjoy advantages which

are denied to the holder of poorer sites. The one tax that would fall fairly on both the best and worst sites would be the land value tax.

In both France and Germany home builders are trying to encourage the middle class to build their own homes, but rising costs make this increasingly difficult, and too high land values have caused the garden areas around houses to shrink to half their original size. A proposal made in a meeting attended by German home builders and representatives from other countries, recommended a ceiling on land values and measures against land speculation. Mr. Giannelias thinks all this points to an application of the principles of Henry George through the application of land value taxation.

CHRISTMAS—CHRISTMAS

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In looking over our basement storerooms, we have rediscovered quantities of excellent books and pamphlets, some of which have been all but forgotten. In order to pass on to you the advantage of this discovery, we are offering them for only \$2. Easily worth many times that price! Here is what we'll send you:

THE LABOR QUESTION—an abridgment of "The Condition of Labor," Henry

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THE EFFECTIVE ANSWER TO COMMUNISM, by H. G. and E. R. Brown. Shows why land value taxation is the answer to Communism, and why you don't get it in college.

FREE TRADE, FREE WORLD, by Oswald Garrison Villard. A hard-cover book, published at \$3, which brings George's *Protection or Free Trade* up-to-date.

IN QUEST OF JUSTICE, by Francis Neilson. The greatest quest in the world, from Moses to Henry George. A scholarly historical survey.

WHAT'S WRONG WITH TAXATION? by Judge Jackson H. Ralston. A sound primer on land value taxation, by a man with much political experience.

TAX POLICIES AND URBAN RENEWAL IN NEW YORK CITY. A recent study by experts, which includes a recommendation for land value taxation. Good for other cities, too!

WHAT PRIVATE ENTERPRISE CAN DO, by Charles Johnson Post. Shows just what happened, in dollars and cents, when New York gave builders tax exemption in the 1920's.

ILLUSTRATIONS FOR PROGRESS AND POVERTY, by Robert Clancy. A picture for every chapter of *Progress and Poverty*, bringing out the essential ideas.

PLUS: An assortment of interesting pamphlets.

Orders will be filled on a first-come-first-served basis. If we run out of any of the titles, we will substitute something else of equal value.

the silent teachers

WE do not take time often enough to evaluate the importance of the work done by all of those who have voluntarily taken on the responsibility of leading others through the pages of *Progress and Poverty* and other texts by Henry George. Especially have the men and women who come to the New York correspondence course room for a few hours after their office day, to read and correct student papers, been sometimes taken for granted. Two letters that have come to HGN are typical of others received from time to time, proving how much drama is tucked away in this one department. The first is from a man in Midland, Texas addressed to Mrs. Adele Buckalter, his CC teacher:

"I cannot honestly say, as I was able to once before, that the delay in submitting the attached lesson was occasioned by the press of work. In this instance the delay resulted solely from my intention to discontinue the course.

"Many months passed since I had thought of it until one day about four weeks ago, while walking to the office, a distance of only five blocks from my parking place to the center of town, I became conscious of several vacant lots along the way. Two new office buildings going up nearby turned my thoughts to the subject of land values and the ideas of Henry George. It seemed that the truth of at least one of his ideas came into focus more clearly then than on any other occasion—the idea that the community creates land values and therefore should receive the benefit from them. The more I dwelled on it, the more the idea became morally unassailable. . . . Why should a landowner bleed off value created by the community at large? He has his buildings and ma-

chinery and other capital and wealth; these he or his antecedents created, and he is morally entitled to them. But land values, it seemed, were an entirely different matter.

"When I went home that evening, I picked up *Progress and Poverty* and began reading it anew. In the weeks since, I have read from the beginning through Book VIII, through all supplements for those books, and through the eight lessons I prepared and the answers sent to me by you. I then completed Lesson IX, which I forward herewith. It is my intention to finish the course and to take the other available ones, if I may be permitted to do so, for I am more strongly convinced than ever of the validity of the central idea.

"Perhaps you will be able to see some effects of your efforts in such confessions as these. Truly seeds are being sown by the Henry George School. And who can tell when they will flower—or to what extent? Perhaps it is not too late even yet to set ourselves on a course for the real improvement of the conditions of man and of man himself."

The other letter was more poignant, and we believe you will have the same impulse we did—to look on your shelves for a suitable book to send this deaf and handicapped lady who is so willing and eager to learn. Her teacher, Sol Luria, tenderly passed this neatly typewritten letter on to us. Such spirit as is expressed in it is always invigorating:

"I am happy to have you for my teacher. I would like you to know something about me. I am 66 years of age. Single. I am totally deaf and have been since I was six years of age. I never went to school at all or had any teacher. My name is not really

McNeill. I do not know my real people or where they came from as I was saved from a storm at sea when I was two weeks old. I could not be adopted as no one had ever released claim on me, but I was indentured to the McNeil family, who thought education was a waste of time and books a waste of money. Those who were responsible for my welfare did not even bother to find out whether I could tell time or read or write.

"I have diabetes and am badly crippled and a semi-shut-in. I have to earn my living in my home. I also support a 75 year old person who has no income and cannot work, because of being paralyzed. But I am not self pitying—the world has so many fascinating things to see and do that I am always busy and happy. All my life I have had the hunger for education, yet no way to get it.

"I review again and again the pages *Progress and Poverty* which are so beautifully written that they are a joy to read. I also reread when I feel I have not made the lesson completely my own.

"You ask whether I have any questions to ask. There are questions but I am sure the answers will be given one by one as I go along. I compare what I have experienced with the findings of Henry George.

"One very important thing I have learned by experience is that God seems to have made natural laws so that man is forced to depend on men and that no one can stay alone. Everything in nature seems to lean this way. If you work alone you can only make as much money as one person has hours to work. If you share your work with others you will get more and more income according to how many workers you hire, because your busi-

ness can expand. I know how to make things, and one time when I was out of work I sold by mail the things I made. I was successful enough to reach the point where I could not take care of anymore, and could not find workers to help me. The big problem was how much to pay the workers per hour in order to leave enough for a place to work (rent), as I did not want them to work in my own home. I never had any lessons in arithmetic, and did not know how to divide expenses so there would be a profit if I rented a place and hired workers.

"I am going to work until late at night to earn enough to learn arithmetic and accounting through a correspondence school. Because I have no means of transportation I cannot go to the mobile library and I cannot afford to pay someone to go there to borrow books for me. When I did pay someone to go, the library had none of the educational books I wanted and I did not think I should pay so much to get just murder mysteries of which they had plenty. I have had trouble all my life trying to get educational help and always finding I could not get it no matter where I tried, as everything is for other people, or so it seems, and not for the deaf shut-ins. This will make you realize what it means to me that someone with a thought for others gives a correspondence course free of charge. I pray God to reward him and those who help him."

This letter was from Miss Daisy McNeill, Newton, New Jersey, R.D. Box 15. Since writing the above she has been ill but wrote to express her joy over two used books sent to her by Mr. Luria. "They look fascinating," she wrote. "I can hardly wait to start them."





The article "Philosophy of Freedom versus the Single Tax" by Oscar Johannsen in the June HGN, in my opinion, does not help our common cause. His criticism of George's proposals to abolish all taxes except those on land values are based on the proposition that all taxes are immoral. The word taxation itself describes a process without implication of right or wrong. It is simply the machinery by which governments obtain revenue.

The real argument and source of dissatisfaction is not with the process of taxation in general but the subjects on which those taxes are levied. The moral principle which we (Georgists) urge is that governments have a moral right and duty to base their taxes on the publicly-created rental or capital value land—but have no moral right to base taxes on the privately created values of buildings, cultivation or production. This is a clear-cut principle capable of application at any time and with any level of government. It is the principle which Henry George consistently pressed.

One practical observation may be made on the auction method to determine rental values as distinct from sales value. If the rents are determined by auction as and when properties are up for sale there will be no practical difficulty in establishing a level of rental value any more than of capital values. But it would not be necessary nor just to require that all properties be put up for auction every few years to reassess rents as seems envisaged in Mr. Johannsen's paper. That would imply that anyone who bid higher than an existing occupier could dispossess him—though no doubt subject to compensating him for his buildings.

Wholesale auctions are not needed as land value gradients can be readily assessed by analysis of sales of properties coming on the market from time to time. Rentals of other properties can be adjusted according to these established trends without disturbing anyone's occupancy.

A. R. HUTCHINSON
Glen Iris
Victoria, Australia

"The end of the landlordism that has caused the peasant masses to live under oppression for centuries" was forseen by the Indonesian Minister for Agriculture when he announced that 500,000 acres had been allocated to small holders, who are expected to intensify their own production. We hope this is the beginning of a thorough and permanent reform to be followed by right direction for the sake of the millions who for so long have been oppressed by basic economic injustice.

Java and Sumatra last enjoyed a respite from landlordism during Sir Charles Raffles' rule from 1811 to 1816. In this period he largely reconstituted the ancient land tenures that the Dutch and their predecessors had destroyed. In consequence of this and also of his wiping out a large number of onerous taxes, some millions of Indonesians returned from mountain areas to the lowlands from which they had been driven. This experience led Raffles, who established Singapore in 1819, to provide that the annual value of the land should finance the city's revenue. To this policy, which meant that land would be available without price and that trade and commerce could be free from restrictive taxes, can be attributed Singapore's subsequent growth and

prosperity. To the abandonment of this policy may be attributed the subsequent poverty and distress in Java and Sumatra.

It is always the income level of the agricultural worker that sets the "basic wage" for a country. Therefore, if Indonesia's present land-reform program is expanded to cover a significant proportion of the people, a high level of demand for consumer products can be expected, along with the industrial

educational and cultural advances that have so long been denied to the islands. And if the "land-reform" eventually extends so as to recover, for public revenue, the whole of the annual value of the land, city as well as rural, Indonesia will be a land that the rest of the world will envy.

W. H. PITT
Melbourne, Victoria
Australia



A CASE OF STOLEN LABELS

Milton Friedman, professor of economics at the University of Chicago, in an important book entitled *Capitalism and Freedom*, states as his basic proposition that "historical evidence speaks with a single voice on the relation between political freedom and a free market." He points up a fallacy in the slogan, "Human rights before property rights," which obscures the rightful basis of property, namely that a man belongs to himself or his Creator and therefor owns the product of his own labor, with freedom to trade it or do with it as he chooses.

The production of a person which he can keep for himself is his incentive for efficient work, and it is one of the most solid guarantees of individual dignity and liberty. In a socialist state, where a man is said to belong to the state, no one can criticize without endangering his job and his family. The author elaborates on this by stating, "so far as I know none of the people who have been in favor of socialism and also in favor of freedom have really faced up to this issue, or made even a respectable start at developing the institutional arrangements that would permit freedom under socialism. By contrast it is clear how a free capitalist society fosters freedom."

Thirty years ago the intellectuals who boasted of being "advanced" derided discussion of freedom as anachronistic, suggesting government control and planning as a substitute. Professor Friedrich A. Hayek's strong book *The Road to Serfdom* signalled the first revival of interest in defense of the private enterprise economy which Henry Georgists understand as being basic to freedom. The success of recovery in Germany under free enterprise stimulus has underscored this view.

Professor Friedman discusses social welfare measures in this excellent book, also the control of money, government's role in education, licensing of occupations and distribution of income using freedom as his yardstick of judgment. Quoting from A. V. Dicey's *Law and Public Opinion in England*, he states: "the beneficial effect of state intervention, especially in the form of legislation, is direct, immediate and so to speak, visible; while its evil effects are gradual and indirect and lie out of sight."

On how statists have stolen the term "Liberalism" the author quotes Joseph Schumpeter: "As a supreme, if unintended compliment, the enemies of the system of private enterprise have thought it wise to appropriate its label."

—Lancaster M. Greene

"I Have Kept the Faith"

(Continued from page 1)

of her youth at home with her father and mother. Henry George, Jr., like his famous father, worn with his labors, died in his 50's. His children, still very young, were brought up by their mother, now past 80, who lives in Tucson with her sister. She has made a great contribution with interests which have set her apart and which have endeared her to vast audiences of school children and others to whom she has lectured. She is an authority on minerals and sea shells which, she believes, reveal an understanding of God's works. In a letter from her conveying her regrets at not being present she wrote of her husband, "he was a noble man and did a noble work. It was a great honor to be his wife."

Jane George Werner spoke with enchanting reticence about her father. She said both he and his brother "lived and breathed their father's work." She recalled that when the family went to Italy she was only six, but her father put her on a monthly allowance which had to cover all her purchases—both the things she loved and the things she hated (like long underwear). That early responsibility, however, made her have more respect for money. She remembers too how his interest in Roman history was contagious and how much they all learned and remembered from their visits with him to historic places.

"Papa was very gentle," she said, "he loved animals, and he loved the smell of pine trees after the rain." It was real living for him when he could get away from the terrible responsibility of trying to make this a better world and refresh himself in the country. "Papa spanked me once," she confessed, and she never forgot it. One of their many dinner guests made "interesting noises" when he ate, and she had tried to imitate him.

It is always in retrospect that one evaluates a life, and lovely Jane has not forgotten the character training nor the rich memories. She realizes now how strongly her father touched her life and left his indelible imprint upon it. He died during the night, but when morning came her brave, wise mother said, "finish dressing, Jane, you're going to school, because you're going to go on living just the same as if he were here." That thought has remained with her, she said, and even now she sometimes ponders, in making a decision, whether papa would approve, and believing that he would, she tries "to go that way."

Robert Clancy, director of the Henry George School, presided and outlined briefly the short but vivid life of Henry George's eldest son. He served as secretary to his father and following his death stepped into the incompleting mayoralty campaign. Soon after that he wrote *The Life of Henry George*, (available now at \$2 a copy). This careful, complete and well documented book is his best known work, but he also brought to publication Henry George's nearly completed manuscript, *The Science of Political Economy*, and wrote other books and articles.

He was elected to Congress and while there introduced a bill for land value taxation in Washington, D.C., and made several excellent speeches on Single Tax, following which, as Mr. Clancy noted, Congressmen asked all the same questions that are still being asked. He also participated in foreign politics, especially in 1909, when Winston Churchill and Lloyd George were campaigning for land value taxation.

Georgists seem to feel a slight kinship with the great Tolstoy because he was so much influenced and so fervently impressed by the writings of Henry George. It was therefore particularly interesting to recall that Henry George, Jr. visited Tolstoy and

brought back pictures of the Russia of that day. Tolstoy was already an aging man, but his estimate of George was clear and forceful. As a testament to his faith it is recalled that when Henry George, Jr. was about to leave Tolstoy said, "I will see your father before you do. What do you want me to tell him?" The loyal son replied, "Tell him I have kept the faith." And this in a sense can still be said of his family. Henry George IV is expressing interest in the work of the great ones whose name he inherited in a family that is expanding into a most impressive genealogical pattern.

Miss Marion L. Simmons, Chief of the Public Relations Office of the New York Public Library, in making the presentation of the sea chest, said it had come to the library from Anna George deMille, daughter of Henry George, who used it to store the manuscripts and books that comprise the permanent collection at the library. However, since the chest "didn't fit on the shelves," the library graciously decided to present it to the Henry George birthplace in Philadelphia. Joseph A. Stockman, Philadelphia director, and curator of the birthplace, was there to receive the treasured gift.

Miss Simmons read the letter penned by the youthful Henry George to his aunt while the ship "Hindoo" lay off Staten Island awaiting completion of the crew, in which he said, "I am writing this on my sea chest." The old chest was used again by Henry George, Jr. to send his papers home from Washington D.C. when he was a Congressman.

As part of a Liberty Ship Memorial Program conducted by the American Merchant Marine Institute and the American Institute of Marine Underwriters, plates from these ships, named for men and women who contributed to the greatness of America, are being donated to educational and other institutions, where they will find permanent resting places memorializing not



C. B. Mitchell, C. E. McDowell and Lancaster M. Greene with name plate from the Liberty Ship

only the personages mentioned, but the fleet of Liberty Ships. C. B. Mitchell of the American Merchant Marine Institute and C. E. McDowell of the American Institute of Marine Underwriters presented the name plate to Lancaster M. Greene, Vice-President of the Henry George School. Mr. Mitchell noted that this was the only plate recovered from a Liberty Ship that was now sailing under a foreign flag, and he congratulated the Henry George School on its diligence in tracking it down.

Mr. Greene said that Henry George, Jr. had dedicated his life to educating the world to the importance of liberty, with land value taxation and free trade as the means to liberty. Free trade, he said, is tied in with a strong merchant marine. Quoting Lord Philip Snowden's statement after reading Henry George's *Protection or Free Trade*, he said, "free trade is a principle of far wider significance and application than a question of tariffs on imports only."

The full and varied program following this historic dinner meeting for members and faculty, the largest ever held at the school, included pre-

sentation of awards to Henry George School volunteers; verses by Mabel L. Rees, and a piano rendition by David Solomon, both composed for the occasion; and finally a showing of slides,

including views of Tolstoy and his household, made available by Dr. Henry George III—the photographs taken when his father, Henry George, Jr., visited Russia.

MORE LVT ACTIVITY IN PENNSYLVANIA

The McKeesport Junior Chamber of Commerce is the second in the state to endorse the idea of removing the local property tax from houses, buildings and improvements and shifting it to land values—the first having been Erie. The "Jaycees" are convinced that land value taxation will benefit their city and they will campaign to have the city council adopt it. The president, Raymond J. Girgash, said that shifting taxes from buildings to land values would stimulate construction, attract new industry and help industry already in McKeesport, help clear slums, and reduce property taxes for most home owners.

McKeesport Jaycees will formulate an educational program to acquaint city residents with the benefits of this reform and will assist in setting up a special promotional organization which will be open to all. "This is one of the most important projects ever attempted by the Junior Chamber of Commerce," the president said, and "can result in a new era of growth for the McKeesport of tomorrow."

EDUCATION "ON THE HOUSE"

"The Henry George School is one of the best-known of our city's schools offering courses in Fundamental Economics," according to an article which appeared recently in *Today's Living*, the magazine of the Sunday New York Herald Tribune. "Enrollment is always on the house and courses may be taken by mail if it is not convenient for you to attend in person. Guided by Henry George's economic masterwork, *Progress and Poverty*, these courses will aid anyone seeking a better understanding of the economic problems that confront the world today. Call or send a postcard for complete details and an application blank." The name, address and telephone number of the Henry George School were given.

Adult Leadership, the publication of The Adult Education Association of the U.S. in its September issue, also announced, "Anyone interested in social science who is willing to study, may enroll without charge in the Henry George School's basic course of Fundamental Economics or in an advanced course in the same field. The school, originally in New York, has now established extensions in several states as well as abroad."

We are sure other extensions and adult education groups will be interested in calling the Henry George courses to the attention of readers.

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