

the Henry George News

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Familiar Follies

by ARTHUR W. ROEBUCK, M.P.

WITH a bow to the great men of the past, Henry George and his immediate disciples, the mere passage of time has now made me a veteran of this movement. More than sixty years have gone by since I first read *Protection or Free Trade and Progress and Poverty* by Henry George. Many changes have taken place since Henry George wrote his immortal treatises, but his proclamation of principles are as sound today and as applicable to the problems of this troubled world as when he wrote them, or as when on a memorable night more than a half century ago I read the inspiring paragraph of the last chapter of *Progress and Poverty* and pledged a lifelong allegiance to this movement.

We in Canada have just concluded a general election campaign in which the principal issue was unemployment. For the past five years our population has been expanding faster than our economy. Business has been much below par, and in a population of eighteen million people, we have had an average registered unemployment of 420,000 workers.

You of course know the cause of this terrible malady quite as well as I



do. We have watched with apprehension the continual growth in land prices and land rents ever since the close of the great depression of the hungry thirties. Land values are a debt which industry pays to ownership. Everyone must realize that with continual increases in ownership's exactions the time must come when the profits of industry will disappear; when mounting land values, supplemented by the insatiable rapacity of our taxing authorities will exhaust our resources and put us into trouble. That time has come in Canada. Fantastic land prices and inordinate rents together with cruelly burdensome taxation has stalled business. For instance, how can a Canadian corporation expand with the increasing population, when we take one-half of its

(Continued on page 15)

A Word With You

WHY did Masaniello go mad? It was in Naples, in the 17th Century. The people were groaning under the oppression of a foreign ruler, Count d'Arcos, and his latest injury was a high tax on fruit, the daily food of the poor. This provoked a revolt, led by the fisherman Masaniello. So successful was the rebellion that the Count had to flee his palace, and Masaniello found himself in charge.

Through an intermediary, the Count and Masaniello were brought together to confer, and the Count agreed to certain reforms, including the abolition of the most repressive of the taxes. He even offered to associate Masaniello with himself in governing Naples. But the simple fisherman, like a true people's hero, decided to go back to his trade.

But then Masaniello started behaving irrationally. He treated some of his own followers cruelly, and spoke to the people tempestuously. After a few days of this, the Count had Masaniello murdered, and the people were glad to be rid of their former champion!

Which brings us to our first question: Why did Masaniello go out of his mind just as he was gaining what he had fought for? Let us see if we can reconstruct that moment when he lost his senses. Here was a capable leader with a just protest, and the people were behind him. In fact, the revolt was

spreading and it did indeed seem to be a propitious time for a change. At the same moment in England, the people were successfully rebelling against their ruler whom they rightly or wrongly blamed for their troubles.

Perhaps if Masaniello had been less honest he might have seized the opportunity to share in the government, and use that as a new stepping-stone. But, after having gone as far as he did, he found himself face to face with the power to rule. We may imagine that it was to him a terrifying sight. "Government" in that age meant only oppression. It is one thing to protest and revolt, it is another thing to govern. Masaniello had successfully revolted—but what then? Is the only alternative to being oppressed being the oppressor? There was nothing in the experience of his time and place to show that anything else could be done. Faced with this intolerable choice, Masaniello went mad.

In this is a lesson for our day. Negative protest is not enough. The mischief inflicted by today's governments is filling a vacuum, a felt need, that must somehow be filled. Those who rail against this oppression may be right—but unless they can offer a positive program, beneficial in its effects, mere protest is useless. A never-ending roundelay of oppressions and protests, new oppression and new protests—that way madness lies.

—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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Heavy Tax on Land Stimulates Production, Says P. I. Prentice of Time Publications

OUR well-worn phrases all sound bright and new when someone else says them or when we read them in a "slick" magazine like Architectural Forum or House & Home, both published under the watchful eye of P. I. Prentice.

The Architectural Forum quote came to the HGN office via Muncie, Indiana. For it was Elmer Russell Greenlee who reproduced it in his alert little Bluebird letter.

This concerns a building of vast concern to New Yorkers—the Pan American Building—which is such a huge monstrosity that even the builder "deploras" it. This is going up and up in the Grand Central area, where already all transportation is choked with office workers at nine and five. But the price of land is \$250 a square foot, and the Grand Central site measures 150,000 square feet. So to cover this \$40 million investment the building has to be the biggest possible in order to gouge out the maximum in rentals.

But let us quote from Elmer's letter and the Architectural Forum:

"There will be no great urban architecture in America until there is an end to unrestricted speculation with price of land. This is the fundamental truth—there's no way of getting around it. A famous Republican, Abraham Lincoln, said 100 years ago: 'The land should never be the possession of any man, corporation, or society . . . any more than the air or water.' And another famous conservative said 40 years ago: 'Unearned increments in land . . . are derived from processes which are not merely not beneficial, but positively detrimental to the general public.' That famous conservative was Winston Churchill.

See what we mean? We used to balk at that phrase "unearned increment"—few people knew what it meant and were therefore hostile or suspicious. Now it is showing up repeatedly in good company, in fact this quotation from Winston Churchill is paying off so well we wish he had given us the royalty rights.

But there is more tax news from the executive offices of the Time and Life Building (notice its cool fountains and promenade—so different in appearance from the building described above). Mr. Prentice, vice president of Time Publications, has just returned from West Berlin where he studied the housing problems at the request of the U.S. State Department.

He recommended labor saving methods, industrialization, more standardization and better coordination. And to get modernized housing sooner he suggested, *why not try tax incentives?* At present there is talk of concessions and perhaps a subsidy. He suggests as an alternative that "West Berlin should study the tax system employed in most of Australia and New Zealand, in most of the cities of the Transvaal, parts of Western Canada, and also (in modified form) in the American cities of Pittsburgh and Scranton. Under this system almost the only local tax collected is a heavy tax on the 'unimproved value' of land (10 per cent of its assessed value in Brisbane, Australia), but there is no real estate tax at all on buildings or other improvements on the land, so the tax on a rundown slum property is the same as the tax would be if the existing building were put in first-class modern condition or replaced with a fine new structure. With this tax system apartment

owners just plain cannot *not* improve their property. So, for example, there are no slums at all in Brisbane; and there are no bad slums in Sydney, Australia (where the land tax is not quite as heavy and compelling). The only city in Australia with really bad slums is Melbourne, which is also the only important city in Australia where this tax system does not prevail; likewise the only city in New Zealand where a subsidized slum clearance program has been found necessary is Auckland, which is likewise the only city on New Zealand where this tax system does not prevail.

"Two years ago Mayor Wagner's Special Committee on Housing recommended that New York should give careful consideration to adopting this tax method. Said the Committee's report: 'The \$2 billion public housing program has not made any appreciable dent in the number of slum dwellings. . . . Nothing will be able to keep pace with slum formation until and unless the profit is taken out of slums by taxation.'

"My understanding is that today all

real estate in Berlin is so lightly taxed that no real estate tax inducement or tax pressure is likely to have much effect; realty taxes are based on a 1935 assessment which was probably low at the time and is completely out of line with today's much higher selling prices.

"But when, as, and if a realistic reassessment is available, West Berlin could (subject, of course, to the sanction of the federal government) assure itself of getting its slums improved almost overnight at the slum owners' expense if West Berlin would exempt *all* buildings from real estate taxation and shift the entire incidence of a fairly heavy realty tax to the site value alone.

"Incidentally, this tax system would also help get new apartments built quicker and at a less cost, because a substantial tax on land would (1) discourage landowners from holding out for too high prices and so blocking the assembly of adequate sites, and (2) bring enough more land on the market to deflate its price. A heavy tax on land is the only tax that stimulates production instead of inhibiting it."

Gaston Haxo of St. Petersburg, Florida, wrote a memory laden letter after reading HGN's report of the thirtieth anniversary banquet, and called attention to an embarrassing error, namely, that in the caption under the picture of Oscar Geiger's Round Table Literary Club (1922) on page 16 of the July HGN, the name of George Geiger was omitted. How such an omission could have occurred is hard to explain since it was mainly for the delight and development of George Geiger, Oscar's son, that this club composed of some of his school mates, was begun. In the top picture on page 16, George is that bright looking boy seated at the right between Oscar Geiger and Milton Bergerman (with hands crossed).

Mr. Haxo says all this recalls to him an evening when he and Morris Van Veen sat in the living room of Oscar Geiger sipping tea while he discussed ways and means to get the movement going again. Shortly after that the Henry George School was started, and the Pythian Temple meetings began. He says he was in a high school auditorium once, sitting next to Joseph Dana Miller, editor of Land and Freedom, and saw the famed Round Table Literary Club in action. He remembers hearing George Geiger, now professor of philosophy at Antioch College in Ohio, deliver an address on Thomas Jefferson.

Australasian Adventure

by V. G. PETERSON

I shall never forget that bleak February morning when I boarded the plane at New York for the other side of the world. Such a journey would quicken the pulse of even the most sophisticated traveler. To me the thrill of crossing new boundaries was heightened by a deep feeling of gratitude to the friend of the Robert Schalkenbach Foundation who had placed this "magic carpet" within our reach and asked me to make the trip.

My mission was clearly defined. I was to find out as much as I could about the workings of unimproved rating in Australia and New Zealand. I was to arrange, if possible, for an academic study of the effects of raising local tax revenue via this system, and I was to look for material which could be used in shaping and producing a motion picture based on the facts.

En route, I would have an opportunity to explore the efforts at land reform now under way in Hawaii. A newspaper clipping in my possession said that this subject had top priority with both political parties in the islands and mentioned the name of Thomas P. Gill (Democrat), Majority Leader of the House. My first task, then, when I reached Honolulu late on the day of my departure, was to locate Mr. Gill's office. He was away, but his secretary arranged an appointment for me to see a Mr. Bell who had helped to frame the measures which had been put before the Legislature on at least two occasions. What I learned from him can be given here only in brief outline.

Hawaii represents one of the most glaring examples of land monopoly in the world with 46 per cent of the land in the hands of 60 landowners. During recent years, these landowners have

found it expedient to divest themselves of some of their holdings, usually through a system of leasing. Most of these leases run for 55 years, the rents being fixed for half the period, at which point they are subject to renegotiation. Roughly 80 per cent of the current housing developments are announced for leased lands.

Efforts to achieve land reform have been pressed with considerable vigor since 1955. They fall into these major categories: (1) improved assessment and zoning practices which would classify the land and tie the tax rate to these classifications; (2) condemnation procedures where necessary; (3) increased ownership in fee simple of lands presently on leasehold, and (4) a differential tax rate which would tax land value at twice the rate applied to improvements.

The differential tax rate, which is patterned after the Pittsburgh Graded Tax, has been under consideration for seven years. Such a proposal passed the House in 1961, but failed in the Senate. It was being considered again while I was there but I was told that it would lose on a technicality, a prediction that later proved to be correct. Eventually, there is a good chance that it will pass as both the Republicans (who control the Senate) and the Democrats (who have a majority in the House) have given it their support.

With this revealing interview behind me, I boarded the great jet that was to carry me across the equator to those countries where the seeds planted by Henry George have borne fruit over the last 50 years.

Two days later, I reached my second objective, Wellington. The unimproved rating system is well established in New Zealand. It affects one of the

two major cities, most of the towns, and a majority of the rural areas. Change-overs are still under way, not because of any pressure through propaganda, but rather because the people favor the new system.

While in Wellington, I visited a large downtown area called Te Ara Flats. This section, previously classified as a slum, is being made over into a modern residence-business district. Many housing developments were also under way on the hills surrounding the harbor. Dr. Rolland O'Regan, my guide on these sight-seeing expeditions, is convinced that the unimproved rating system, which applies universally in this area, has been a great help in hastening these projects. All structures erected on these sites, be they large or small, are exempt from local taxes. The area is therefore free to develop according to the needs of the population.

Two busy weeks raced by and now I was winging my way towards Melbourne. Few sights have thrilled me as much as my first glimpse of the Australian coastline. And few things have been as heart-warming as my reception by a group of our Georgist friends who had come to greet me at the airport. Within minutes we were animatedly discussing the tasks I hoped to perform, and that very evening I was taken on my first visit to the unimproved rating areas which ring the city and include some that are actually part of Greater Melbourne.

At this point it might be helpful to clarify the degrees of responsibility assumed at various levels of government in Australia, with respect to raising and spending of tax revenues.

The *Commonwealth Government* collects the income tax, the tariffs and excise duties, including the tax on petrol. It collects a sales tax either from the manufacturer or the seller. It distributes the proceeds of the income tax to the *States* on the basis of their pop-

ulation. Some adjustments are made for less populous districts.

The *States* receive income tax money from the *Commonwealth*. They levy a land tax (in Victoria this approximates 20 per cent of the total State tax collection from all sources), a stamp tax, betting taxes, auto registration, and the entertainment tax. The *States* pay for education and justice, police and fire protection. Insurance companies also contribute something towards the latter service and in some instances local governments donate in a small way.

Local Governments collect on property, either on land and buildings, or on unimproved land value only (called "unimproved rating"). They pay for street cleaning, garbage collection, and other services of a purely local nature.

Boards and Commissions render special services such as providing water and irrigation. In some instances city planning is under a commission. These commissions raise their own monies, all from property, either through annual value levies, or unimproved rating.

From the above recital, you can see that local governments in Australia (and the same is true of New Zealand) have fewer responsibilities than our own cities, towns and villages who must meet the major costs of education and the full costs of police and fire protection.

In two of the six States in Australia, all local government revenues are derived from unimproved rating. These two are Queensland and New South Wales. In the other States both the annual value and unimproved rating systems are employed and in these places comparisons can be made.

In Victoria (of which Melbourne is the capital), for example, one of the things that struck me most forcibly was that every inch of vacant land in the unimproved rating areas is put to some use. In business areas such vacant lots as remained were used for displaying garden furniture and other

urable merchandise. Many had been turned into car parks. The houses in the unimproved rating areas were well kept and the majority of the older structures had been modernized.

It is unfortunate that most of the people living in these unimproved rating districts know so little about the potentials of this system and make no effort to extend it. The rate applied is usually too small to absorb all the economic rent and enough is left to allow land speculation. A good deal of this is going on right now in Sydney where a building boom is in progress, the first in many years. Sydney has grown tremendously since the second World War, (30 per cent of its present population dates from this period) and it is still expanding at the rate of about 51,000 persons a year.

Property is valued every three years in Australia. I learned that a valuation had taken place in Sydney a few months before my visit. Some residential property was rezoned for commercial use, with a corresponding increase in the tax rate. Properties in these areas will eventually be sold and vast profits realized but, meantime, home owners affected by the higher rates are complaining and a table of exemptions has been established to quiet them. Presumably this is a temporary expedient.

One of the most rewarding days of my entire trip was spent in the capital city of Canberra, a hundred miles from Sydney. The land is owned by the government and leased out to users under a system that has proved most satisfactory if one is to judge by the well-kept properties. Canberra is, however, a story to be told separately and the Henry George News has promised to reserve space for it in an early issue.

There are several strong Georgist groups in Australia. In Melbourne the Henry George Club has for many years owned a substantial two-story building in the heart of the city which is used for Georgist activities. At the time I

was there, this structure was being enlarged and modernized. In Sydney, office space is rented. About 17 miles from the city, in Terry Hills, on a lovely hillside commanding a view of the valley below, our friends have erected a building which they will use for a summer school and for conference purposes. They will also derive some revenues from the building when their own program does not require its use. It was my great privilege to open the Terry Hills building in ceremonies attended by seventy-five enthusiastic workers (see May HGN, p. 12).

Our good people had been busy in anticipation of my coming and many interesting activities had been booked. Some of the highlights included a half-hour audience with the Premier of Victoria and a civic reception by the Lord Mayor of Sydney. At the latter, one of the guests was Professor Leslie Wilkinson, a famous architect, who told the Mayor that the practice of his profession had led him to Georgism. Also present on this occasion was the venerable Mr. A. G. Huie, former editor of *The Standard*, who, at 95, is still writing letters to newspapers. He was one of those who received Henry George on his arrival in Sydney 72 years ago. Asked what direction he thought the then newly established Georgist work should take in New South Wales, Henry George advised his followers to concentrate on obtaining mandatory legislation that would require unimproved rating throughout the State. How well this mission was accomplished is now a matter of history.

The full report of this trip, which was such a tremendous experience for me, is still being evaluated. At another time it will be possible to indicate more clearly the lines of program activity that emerge.

—From an address at the Henry George Conference in Pittsburgh in July.

Noah D. Alper's Brief Cases

WHAT GIVES VALUE TO LAND?

"Chief ingredients in Howard Johnson's image-building, money-making recipe: careful selection of sites . . . best spot—one with access to two prime highways and a substantial local clientele."

—Newsweek, Spotlight on Business

ON LOOKING FOR TROUBLE

"The heavier the taxes grow," stated The Wall Street Journal, "the greater the distortions become. This is exactly what we can see in the current proposal for tax credits to spur business investment and thus economic growth. It is the total burden of taxes that slows this growth, but the Administration prefers to sidestep that problem. So it's dropping a new gimmick into a tax law that's already full of them. And what does it matter that the tax credits would help manufacturers more than utilities? What are a few more inequities among such an abundance of inequities? Why look for the basic trouble?"

And why not? Tax chaos and economic problems will be with us until we do.

LVT TAXATION REFORM—A RISING TIDE

"We must make the idea of the public collection of the publicly earned rental value of land (land value taxation) and untaxing of improvements come to full tide in the thinking of man, and untaxing of all products of human effort as well," said Robert Williams, Vancouver representative of a Seattle planning firm. Speaking before the annual meeting of the British Columbia division of the Community Planning Association of Canada, he said home owners who try to improve their property are penalized by tax increases under the present taxation system, which aids and abets the poor use of land. Many of the worst houses are on the most valuable sites, he said, and owners of valuable land are not required to develop it properly, with the result that land speculators are tying up hundreds of acres of valuable land as slum housing areas and downtown parking lots.

—Quoted from Vancouver B.C. Sun

COURAGE COMRADES, AND FORWARD!

Vannevar Bush, honorary chairman of Massachusetts Institute of Technology, was quoted as follows in The Wall Street Journal of August 2nd, about an "Old Boogeyman":

"When the Industrial Revolution really struck England, the land of its birth, in the early years of the 19th Century, the outcry against it was enormous, and no phrase of protest was more memorable than 'the dark Satanic mills' against which William Blake so eloquently raised his poet's voice. The factory was the focus of evil: poverty, exploitation, misery. The cotton mills of Manchester stood as worldwide symbols of Paradise Lost.

"It took a 20th Century English philosopher, Alfred North Whitehead, to point out that most of the terrible sufferings of the Industrial Revolution were in fact unnecessary and were not caused by the steam engine or the power loom; they were instead the consequence of a giant step achieved in technical innovation with no corresponding step at all in social, political or economic innovation."

And did the scientist offer any specific solution, such as opening up land or making better use of wealth and services? No, his reply was just a rhetorical, social-studies generality: "A massive and intensely courageous investment in all America, by all America, for all America is the prescription for these times. It is this which can permit us to surmount Automation's Awkward Age and proceed thenceforward to nontechnical innovations which will place us well beyond the worries of the present day." Now you have it!

In Japanese it's 'Tanzei'

IN the light of all we have heard recently from visitors to Japan, about the incredible 'traffic jams' and the high cost of dwellings, it was a surprise to learn from an address by Professor Yoshisaburo Yamasaki of Kobe University, that the social ideas of Henry George have been known and discussed there to some extent since the Meiji period, a few years after the publication of *Progress and Poverty*.

Dr. Yamasaki, one of the speakers at the conference of the Henry George School and Foundation in Pittsburgh last month, outlined in detail "Henry George's Influence in Japan." From 1887 to the present century his ideas seem to have been passed along from one to another of a long series of Japanese Socialists who appropriated some of George's social judgments but rejected the basic fiscal proposal.*

The speaker made it clear, however, that in this century Henry George's political economy has been studied by a number of Japanese economists, one of whom published a translation of the first half of *Progress and Poverty* in 1949; and the difference between Henry George's theories and socialism has now become clear. The speaker, who is now a most welcome visitor in the United States, ranks high among these learned economists, and has himself made a translation of *Progress and Poverty* into Japanese.

To those who thought Henry George's views were little known outside English speaking countries during his lifetime, it was interesting to learn the extent to which he was being

quoted in Japan as far back as the picturesque Meiji Restoration period when the government was attempting to abolish feudal systems and promote capitalism. In abolishing the feudalistic possession of land however, the government acknowledged private land ownership and permitted the sale, division, annexation, mortgage and tenancy of land. Consequently, said Dr. Yamasaki, private landed property fell into the hands of a small number of owners and became the sole means of capitalistic exploitation.

It was against this background that the earliest document relating to George appeared—a Japanese version of "The Rights of Man" from Chapter X of *Social Problems*. The translator did not mention the book title, but wrote that Henry George was a "famous Socialist" in the United States and that he had created a sensation in teaching equality and criticizing social abuses, such as the cleavage between rich and poor.

As Japan's economy expanded, the protection and aid of modern industries, and preparedness for war under pressure of higher capitalism in foreign nations, made it necessary to solidify the country's financial basis—and in 1873 the government revised the system of land taxation from the tax in kind (rice) in proportion to the annual yield, to a 3 per cent tax in money on the assessed value of land.

This revision, along with the rapid progress of a money-economy, and especially with the unbalanced progress between urban and rural communities, further facilitated the capitalization and concentration of land. A 5 per cent reduction in the land tax in 1877 and an abnormal rise in the price of rice owing to the inflation of currency,

*See The American Journal of Economics and Sociology, April 1962. "The Influence of Henry George's Ideas Upon Modern Japan" by Yoshisaburo Yamasaki.

also added to the profits of land-owners.

From the earliest reference to George in 1883 as a Socialist this label seems to have been applied to him without question for half a century. *The Science of Political Economy* was translated into Japanese, and several books either quoted George or paraphrased parts of his philosophy, but the socialist writers appear to have embraced him as a kindred soul owing mainly to his statement on common land ownership. One author called this an "indirect means, neither radical nor rough, and more skillful and advantageous than socialism or communism."

In 1891 the editor of a publication entitled *Liberty*, translated the first half of George's *Social Problems* into Japanese, and later that year *The Land Question* was translated.

As the capitalistic system was established and industries developed, the labor movement in urban communities progressed. Socialistic documents appeared in considerable number and various land-reform plans were proposed, many purporting to have been influenced by George's ideas. In an article on the "Rise and Decline of Nations" this summary appeared by an author who was not a supporter of the single tax but who favored state ownership of land:

"Human progress is attributed to the growth and accumulation of intellectual power inherent in mankind. To increase the intellectual power we should decrease the amount of the power necessary for the maintenance of existence, and leave the surplus power of intellect. And to realize the purpose we must cause men to receive the fruit of labor without the curtailment of their liberty. By the way, as material progress goes on, the difference between rich and poor becomes remarkable. If this tendency is not stopped, the great amount of intellectual power of mankind will be spent on the maintenance of existence, and

the surplus power of human progress will not be left, and finally the nations will begin to decline."

So many socialist writers and speakers were named as having been "influenced" by Henry George's books, that it would be helpful to know whether they were objective researchers who, having discovered George's views, were inclined toward socialism, or, as seems more likely, whether they were Socialists first who selected from his writings only those which could be made to substantiate their already firmly held opinions.

In an extensive gallery of such writers, Dr. Yamasaki enlivened his report with only one "off-beat character" whom he did not refer to as a Socialist, and who was (you guessed it), an American. Charles E. Garst, a Christian missionary to Japan, was born in Dayton, Ohio. On a sabbatical leave to the U.S. exposure to Henry George's doctrines had a permanent effect, and on his return to Japan in 1893 he began to serve two masters, with the scales no doubt tipped in favor of Henry George, since he adopted as a pen name "Tanzei Taro" (Single Tax John).

After his death a memorial book was compiled from his manuscripts, but the friend who edited the volume was careful to state in a preface that he could not approve the single tax, although his aim was the same as the single taxers' — "to increase the incomes of capitalists and laborers and improve the welfare of nations by means of the abolition of the monopoly of rent in the hands of land-owners."

In closing and leaving the colorful past, Dr. Yamasaki pointed out that the study of Henry George's ideas has the greatest possible importance for his country today. The abnormal rise of urban land prices owing to land speculation is seriously curtailing home building, highway construction and community development.

Henry George Enterprises

AT THE recent joint conference of the Henry George Foundation and Henry George School in Pittsburgh, brief reports were offered on various activities related to and outside the regular school curriculum. The number of such activities has increased noticeably in the last few years, and this program grows more important each year.

Percy R. Williams, speaking of the Henry George Foundation said he had enjoyed acting as host to the conference, which was held on the campus of Chatham College. The Foundation was born at the Henry George birthplace in Philadelphia, now the headquarters of the Philadelphia extension. Its main interest is a long-range campaign to pave the way for political action and realize the profitable benefits of land value taxation now.

W. Wylie Young, representing the next oldest tax group, the Economic Education League, paid a tribute to its president, Gilbert M. Tucker of Albany, author of *The Self-Supporting City*, *Common-Sense Economics* and a new booklet "How About Your Town?" among others. This group and the Henry George Foundation have always cooperated closely in trying to do practical things. "It is slow up-hill work," said Mr. Young, but having a law in Pennsylvania giving permission to individual cities of the third class to assess land separately from buildings, makes a big difference. In all other states new legislation is required before any such tax reform could be instituted.

Sidney Evans of San Diego brought news of the Incentive Tax Committee. He also mentioned that a study has been undertaken by a research organization of high repute, Griffenhagen-Kroeger of San Francisco, on

how the proposed amendment AC 43 would operate in Fresno County, California. It is to be completed by November 15, 1962.

Edmund Darson of Detroit reported for the League to Untax Buildings, which is attacking the tax problem from the home owners' point of view. The motion picture "Land—and Space to Grow" has been presented with success, and speakers address meetings held by other civic organizations. Their spokesmen are telling people to get the valuations reduced and fix up old buildings. The president, Joseph Pietruska ran for the state legislature in the recent election and made a good showing.

Jack Motley was called on to share the exciting news that a number of politically-minded actionists have formed an association to issue a newsletter, and "get the show on the road." New groups need encouragement, and since there are several isolated groups from coast to coast, all trying for some kind of civic reform but having no contact with each other, it seemed as if a national group should attempt to coordinate the others, perhaps establish more, and support all candidates. The time may be right to start and pound away, he said, at least it may be time to begin, since one has to begin somewhere. Referring to the article on land speculation in the July Reader's Digest, he hoped the Digest would receive enough comments to make them feel there was a wide interest. The ELTA's of Erie ordered 10,000 reprints for distribution in their Pennsylvania city—it's easier to get people on your band wagon if the band wagon is moving, Mr. Motley said.

Robert Clancy, who acted as chairman of the meeting, commented at

this point on how encouraged everyone would have been a few years ago if they could have foreseen that all these things would be happening. Both education and political action are needed, he said, but they are two different things and should be kept separate. He introduced Noah D. Alper of St. Louis as the "missing link" who fosters education with a passion as director of the St. Louis extension, but who also reaches thousands through his Public Revenue Education Council.

Why PREC? Mr. Alper said he needed something for the graduates to do. He thinks we need many avenues of expression and believes eventually one will tend to dominate. He applies the strategy "divide and conquer," and said there is a demand for both capital and labor—where is the difference? But if you separate capital from land title interests there is an opposite in the landowner. Work to pull capital and labor together, he urges, in booklets prepared by PREC which have gone out to thousands of colleges and other organizational groups.

When you have laid out the avenues, you have laid out their sources, he insists. You know the relationship of rent to wages and interest, therefore you know the only sources we can draw are the rewards of human effort and rent of the earth—the very basis of public revenue. It's not an all-at-once idea, but it's an idea that can get into the mind. And an idea in the mind can become the irritant that will build a philosophy.

The Robert Schalkenbach Foundation, once almost the only other group to report at these sessions, now reflects a highly professional approach to an ever-widening opportunity. Miss V. G. Peterson, the Foundation's secretary, brought the message from this the "publishing arm," born in 1925 to "teach, expound, and propagate the ideas of Henry George." She spoke of grants given at various times to stu-



V. G. Peterson and Robert Tideman

dents interested in Henry George who are going on to study for Ph.D.'s. It will be interesting, she suggested, to see what comes of these efforts after the students thus helped have become teachers and pass their knowledge on to others.

A second edition of the German translation of *Progress and Poverty* has recently been subsidized by Schalkenbach in response to increased use of the book by German correspondence-course students, and a translation in modern Hebrew is under way. A book on free trade has been commissioned, and the manuscript is expected within the next three months. Another new publication is a pamphlet for use in college classrooms. A survey revealed that professors would welcome such a booklet if it was unbiased.

Well over a million people have seen the Foundation's film, "Land— and Space to Grow." A second motion picture script is under consideration, and there will probably be a movie on Canberra (Australia).

Visits to many colleges by Weld Carter have done much to soften a hard-bitten point of view here and there, and to discover friends who agree with George's conclusions. An Academic Institute was held at Boulder, Colorado last August to discuss "Land Value Taxation and Contemporary Economic Problems," and another is scheduled for November, at Monti-

cello, Illinois. The November meeting will have as its theme "Urban Economic Problems and Land Value Taxation." A lecture program, which calls for interested professors to speak at selected colleges, is also under way. The first of these talks will be made in November.

Activities in Korea, which were stalemated for a time, are being revived by Eva Maxwell who recently returned to Seoul along with her husband. Mrs. Maxwell hopes to get classes started in that corner of the world, with the help of the new Korean Translation of *Progress and Poverty*. (See also pages 5, 6 and 7)

Robert Tideman, director of the San Francisco extension, described how students have begun to hold joint meetings with other local groups and also to form smaller units within the Henry George School, on a continuing basis. A grassroots movement is therefore being planned to keep up interest and financial support, with the school as the "father image." Each new group will be a controlled branch of the school and will develop toward a chartered autonomy. To gain its charter a chapter must be at least three years old, have not less than 30 graduates, and meet certain requirements as to its officers, contributions, publicity and speaking engagements. After winning a first charter the group will be encouraged to go on and win second, third and fourth class charters, with increasing autonomy. Under a fourth-class charter a branch gains the

power to elect new board members. This plan is expected to draw in new graduates and perhaps lead to a fundamental rearrangement in the organization.

Peter Patsakos, International Secretary of the Henry George School in New York, reviewed the work of the foreign language correspondence courses. He reported seven and a half thousand inquiries from Latin America for the course in Spanish, as a result of advertisements. Several hundred have already enrolled and some have completed the course. A certificate in Latin is given to all who complete the course in Spanish as well as in German, Italian and French.

On the European continent advertisements have appeared in newspapers in Italy, France, Germany and Switzerland. From one advertisement in a Milan newspaper 1200 inquiries were received. The German students use the condensed version of *Progress and Poverty* and are the most thorough. They return all class assignments typewritten. From Israel most requests for the course are in English, though it is hoped it can eventually be offered in Hebrew. The big problem is to find enough teachers who are skilled in these various languages. Mr. Patsakos made an appeal for anyone trained in Spanish, French, Italian or German, who is qualified to interpret the George philosophy, to prepare succinct statements about land value taxation, since there is very little foreign language material available.

AGNES DE MILLE, the celebrated author and choreographer, granddaughter of Henry George and a trustee of the Henry George School, has written a third book entitled, *To a Young Dancer*. This handbook for young dancers has received the same enthusiastic praise from critics that greeted her earlier books *Dance to the Piper* and *And Promenade Home*.

HARRY GOLDEN, publisher of the Carolina Israelite and prolific author, who was the main speaker at the thirtieth anniversary banquet of the Henry George School in New York in June, has brought out a new book right on the heels of his biography of Carl Sandburg, this one called *You're Entitled*.

if this be treason...

OLD professors don't fade away, not if they're Harry Gunnison Brown, formerly of the University of Missouri at Columbia and if 82 can be considered old in such a good and useful life.

Professor and Mrs. Brown were back home on the campus in June, and the editor of the Columbia Missourian did a nice thing—he published a cheery photo of the Prof and devoted a whole column to a recap of his familiar views about land value taxation.

Among other things Dr. Brown evidently wanted to clear up why they spend so little time in Columbia. "I don't give talks on the land tax in Missouri because the State Constitution makes the system impossible," he said. "Instead I've gone to Pennsylvania where the state legislature has passed laws making this possible for third class cities."

Mason Gaffney, a professor at the same university, on reading the above, wrote a very gentlemanly letter to the editor congratulating him on the Brown interview but taking a slight exception. He corrected an implication that Dr. Brown's views were rare—instead he indicated in polite vein that quite a lot of people including himself favored "focusing local property taxes on site values alone."

Having said that, he took issue with his old friend, Professor Brown, and if this embarrassing charge should not be repeated outside Missouri we are sorry, but it's too adroit to ignore:

"I would disagree with Professor Brown that Columbians' hands are tied by the Missouri Constitution. We are good enough at passing the buck around here without such aid and comfort. Professor Brown is probably referring to a requirement that all property be taxed and assessed without discrimination among classes of property.

"However, that provision has obviously not prevented our assessors from discriminating against new buildings and in favor of vacant land, slum land, downtown commercial land and so on. We have a high measure of de facto local option, and it is just a question of which local groups are going to dominate the assessor.

"The Explainers of the status quo, of whom we have in Columbia a comfortable surplus, are skilled at rationalizing present inequities by citing state-imposed limitations on what we can spend to assess property. But if we so desired, that limitation could equally well be used to rationalize any system by pleading poverty in the assessor's office, why not elect the option of rationalizing a rational system.

MORE BASIC ECONOMICS

In addition to the extensions listed in the school booklet (available on request) there will again be a Fundamental Economics class in Monticello, New York under Sam Friedman's direction; and in Louisville, Kentucky with William Howard as instructor.

Tentatively, similar classes are being planned for Washington, D.C. by Lee Bottens; in Fort Worth by Joseph Craig; and in Miami and Miami Beach by Raymond Abrams. The new volunteer extension in Chicago, operating side by side with the Institute for Economic Inquiry, with George Menninger as secretary, has announced 9 classes to be held in Chicago and environs.

Familiar Follies

(from page 1)

profits in federal taxation, with provincial and municipal taxes still to pay?

Our newspapers told the Dominion Government that unemployment was a national problem and therefore was a federal responsibility and that the solution of unemployment and business stagnation is the spending of public money. That, you know, is music in the ears of federal politicians for there is nothing that the modern statesman loves better than playing lady bountiful with funds out of the public treasury. And so they spent. We have run an average annual national budget deficit of six hundred million dollars to a grand total of three thousand million in the course of less than five years. And we have substituted for business stagnation and unemployment the addition of a financial crisis, without curing unemployment.

So our problem is how to cure the financial crisis or to stave it off and so we have poured two thousand million dollars into our currency circulation in the last two years, the immediate object being to provide the wherewithal for the spending spree. You know what that would do to the value of your dollar!

In the early stages of the present depression we were warned against American domination of Canadian economy because of American spending of investment capital in our country. We were told that if we would only invest our own money (which we didn't have) in Canadian enterprise, all would be well. In the early days of your spectacular expansion, English money financed much American enterprise. You would not have made as great progress without it, and these enterprises have long since repaid their borrowings. However, our gov-

ernment made faces at the American investors and harassed them with holding taxes on interest and dividends. Money is shy. Investors are sensitive. That money-well dried up and it left our dollar without support which it had formerly enjoyed on the New York market.

Our medicine men are great fellows. They are absolutely impervious to discouragement—so the next nostrum they prescribed to stimulate business and "cure employment" was a protectionist trade policy. We have been told that if we would keep out foreign goods, our factories would employ everybody, and all would be prosperous and happy. The watchword was "Buy Canadian." But trade is a two-way street. The only way that foreign customers can pay for what we export is to sell us something of theirs in return which we import. Exports and imports must balance, subject, of course, to this qualification.

When you Americans send us money for investment, as you have in large figures in the past, we use it to buy goods in your market. You must remember that when you read the trade statistics. When you see that we have imported more goods than we have exported, you would fancy that destroyed the balance, but it does not do so. The principle remains the same and is sound. Our customers cannot buy from us if we refuse to buy from them. For many years Great Britain has bought from us much more than we have bought from them, and they have balanced their trade by selling to you and you to us. The balance has thus been kept even by a three-cornered form of trade. They ate our wheat and we wore their woollens. Wasn't that fair and wasn't it beneficial to both parties? But as I have said our quack economic medicine men were out to cure unemployment and so we raised our tariff on British woollens.

To the extent that our increases in tariff were effective in reducing the import of British woollens, we prevented the sale of Canadian wheat and many other articles of Canadian production in the British market. *They* did the same with those dinky little English cars, which our people were buying and so providing the British money to buy from us.

We did even worse with Japan; we imposed a quota on how much Japan could sell to us, and, in effect, we placed a similar limitation on how much we could sell to them. I am sure that you smart Americans would never be as stupid as that.

Now we are in real trouble. Our Canadian dollar nose-dived from five and one-half per cent above American to seven and one-half per cent below American, and we are facing a winter of probably bitter unemployment. We are told to tighten our belts and prepare for sacrifice. And in the face of all that we have made a further increase of a general nature in our tariff of five, ten and fifteen per cent on one-half of Canada's six billion dollars' worth of imports.

So far I have been giving you Canada's experience on how *not* to cure unemployment. And by the way, may I comment that the building industry is an important employer of labor? I live in the great and beautiful City of Toronto, where our population has been expanding rapidly

and we have a housing shortage. The building industry has slowed down to a walk because you can build houses and factories only on land. Our farm lands surrounding the City of Toronto have passed into the hands of subdividers and land speculators. I know a farmer who sold his farm for two million dollars, and the purchasers are now selling lots with houses on them for \$24,000 to \$40,000 each, to buyers who may spend the rest of their lives paying off the mortgages. The exactions of the landowners in my city have become so great when added to the tax burden that the building industry has been strangled almost to death.

Pennsylvania has set an example in civic wisdom by shifting a portion of building taxes to land values and in doing so have made it more difficult to hold wanted sites out of use for exorbitant prices. That is not a drastic remedy, but it is a most effective one for improving cities and giving work to men with hammers.

I would like to believe that the wise people of Pennsylvania will soon raise all their municipal revenues in their towns and cities from land values. And if they do so, they will gently but efficiently and effectively urge their resources into use at prices at which they can be used at a profit.

—From an address at the Henry George Conference in Pittsburgh in July.

The first order of 5000 reprints of the July Reader's Digest article, "Land Speculation, and How to Stop It," by Wolfgang Langewiesche, was quickly exhausted, but a new supply is now available at the same price: 5c each, 6 for 25c or 30 for \$1.

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