

the Henry George News

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Public Acceptance of Site Value Taxation Is Increasing Steadily

AT least three states, California, Texas and Michigan, are being exposed to a consideration of land value taxation. The California Legislature, in its 1961 session, studied an amendment proposed by Vernon Kilpatrick. No action was taken, but a new assembly is now in session and the land value taxation bill, Amendment 20, has been reintroduced by James R. Mills, Democratic Assemblyman from San Diego County. This time it has behind it a favorable report by a firm of San Francisco consultants in public administration and finance. (See February HGN, p. 9).

In Michigan an amendment calling for local option allowing municipalities to tax land values exclusively, has also been reintroduced, as House Bill 180, by Representatives Waldron, DeMaso and Gillis.

Benjamin F. Smith, a mechanical engineer in Grand Rapids, was defeated recently when he ran for ward commissioner, however the votes he received were "for real," since he campaigned squarely on assessing land at full value, and did not compromise with issues. He says he may try again.

Judge John R. Fuchs, of New Braunfels, Texas, who has campaigned

vigorously most of his life for the single tax, drew up a proposed amendment to the Texas Constitution which would permit local governments to exempt certain properties and improvements from taxation. This was recently introduced in the Senate by Franklin Spears, a Senator from San Antonio, who said the measure was aimed primarily at providing local tax incentives to industry, and would be put into effect gradually.

Judge Fuchs, president of the Henry George Foundation, and author of *Constructive Taxation for Free Enterprise*, promptly drafted a statement to the committee considering this amendment granting cities the option to adopt constructive taxation. He reminded them that "Legislature wields no power that is of greater importance and of more far-reaching consequences than the power of taxation, since it can deter or promote the production and distribution of wealth.

"We can tax either personal property or land, and of course under our present laws improvements are considered a part of the land, while in truth they are not," the Judge pointed out. "What a man creates by his efforts, his

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A Word With You

"WHEN I was unknown and hungry, no one invited me to dinner," said Jack London. "Now that I am well-known and not hungry, I get more dinner invitations than I can handle. And yet I am the same person now that I was then. Why couldn't people have fed me when I was in need?"

Might not we Henry Georgists bear this in mind when we are wondering whom to reach with our message? There is a temptation to go after people who are already established, the successful, the famous. But such people have already been pretty well moulded; their ideas, drives, patterns and habits have been formed and are now being lived out. Furthermore, now that they've arrived, they are hounded by a hundred and one different creeds, causes, petitions, messages and requests. Their main concern with these new causes is to fend them off with as polite an evasiveness as possible.

It is rather the young, searching minds that offer the most fertile field. Reach them while they are still unformed, still asking questions, and they will be staunch allies for the rest of their lives. Not all of them, to be sure, nor will all of them become famous. But the harvest will come, and the result may well prove to be much more fruitful than from efforts spent on the already-famous.

Jack London's early experiences

with poverty made a Socialist of him. He embraced a creed foreign to his nature, for he was as rugged an individualist as ever lived. But he saw no other way out of the abyss of poverty in modern civilization. His "socialism" was more of a protest than a plan.

If, while he was suffering and searching, some kindly Georgist had taken him in, and not only fed him but showed him a solution to poverty consistent with freedom, the story might have been different!

As it was, London could never reconcile his urge for freedom and adventure with his Socialist doctrine, and the two remained in separate compartments to the end of his life. If he had had the Georgist philosophy, he could have put doctrine and inclination together, and there's no telling to what heights he might have soared!

Perhaps some Georgist did try to reach him after he was famous—but by then it was too late.

There may be a few cases of people won over after having arrived—but even in such cases, the seed usually had been sown earlier in their lives.

The unknown, the poor, the young, the struggling and striving—from among such may very well come our best prospects—so let us keep the road open to them.

—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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Georgism *versus* Socialism

by OSCAR B. JOHANNSEN

GEORGISM is the very antithesis of socialism. However, unless one has a fairly sound grasp of the principles espoused by George, one can easily be swept along the tide to wel-farism, which is socialism on the installment plan.

That this is true is borne out by the sad fact that Henry George's work probably had more to do with the expansion of socialism, particularly in England, than anything else. George Bernard Shaw, the most famous of the Fabian Socialists, said that "five-sixths of those who like himself were swept into the great socialist revival of 1888 had been converted by Henry George."¹ Time and again he acknowledged his indebtedness. "I am glad to say," wrote Shaw, "that I have never denied or belittled our debt to Henry George. If we (Fabians) outgrew *Progress and Poverty* in many respects, so did George himself too, but nobody ever has got away, or ever will get away, from the truths that were the center of his propaganda—his errors anybody can get away from."²

If men like Shaw could see the truths expounded by George and still believe that he had not gone far enough—that is, to socialism—it can readily be seen how easily one can glide from Georgism into socialism.

Karl Marx, who was probably more perspicacious than the Fabians, recognized that *Progress and Poverty*, far from being a polemic for socialism, was actually a powerful defense of private enterprise for he sneered at it as "the capitalist's last ditch."³

Today, as the tide of socialism rises ever higher, there is danger that Georgists will unwittingly be engulfed by the same error of the Fabians and

advocate socialistic principles without realizing it.

Probably this is because George went too far. He stated, "it may be said generally that businesses which are in their nature monopolies are properly part of the functions of the State, and should be assumed by the State. There is the same reason why Government should carry telegraphic messages as that it should carry letters; that railroads should belong to the public as that common roads should."⁴ He also maintained that the rent fund could be used to "establish public baths, museums, libraries, theaters, universities, technical schools, shooting galleries, play grounds, gymnasiums, etc."⁵

This was a serious inconsistency for it was not in harmony with the fundamental tenets of his philosophy. Sometimes it seems as though George builded better than he realized and that he, himself, was not cognizant of the full implications of his own philosophy. That, however, is not surprising since he was an innovator. Only after ideas, inventions, or philosophies are analyzed and tested for a long time do men begin to comprehend the ramifications of new concepts.

George made a great contribution to human thought when he merged the philosophy of individualism with sound economics. Individualism had its articulate and zealous champions in his time just as it has today. The individualistic philosophy espoused by the 19th Century liberal, as well as the 20th Century libertarian, is, in its main aspects, unexceptional. Their weak point has been that their economics, while sound in many respects, is not sound enough.

This bridge uniting individualism

to sound economics in Georgism is the implicit belief that man is fundamentally good and therefore no authority is needed to supervise him. If he follows sound economics, since he is good, the organizations he devises, no matter how complex, will work very well. No superior power is necessary to assure that any individual will be denied such important services as schools, post offices, or even roads. These belong in the domain of private enterprise.

While it is not difficult to envisage schools and post offices owned and operated by private individuals, it may be difficult for some to see how roads could be privately operated. History reveals, however, that many roads have been owned, and the famous turnpikes of the early Nineteenth Century were private roads which entrepreneurs built and maintained. Roads and telephones present typical problems which must be solved by the creation of ingenious private arrangements or they become the seeds from which sprout governmental operations encompassing ever more functions.

If schools, money and roads are responsibilities of government, why not such "natural" monopolies as public utilities and railroads? One needs, then, to take only a short jump to include industries which by virtue of their size appear to be monopolies. From this point on the process easily snowballs to the complete elimination of private property, that is, to socialism.

Georgists may protest that they have no such thoughts in mind, but if they assume that it is proper to use the rent fund for roads and schools there is, logically, no stopping point. It is

natural to acquiesce in the government operation of such functions because this has become an established custom. It does not follow, however, that road and school operations are properly functions of government. Rome was not built in a day. A society based upon the principles of justice will not be built overnight. Expedients will probably have to be adopted and tolerated, but they must be recognized as such and eliminated as soon as the need for them disappears.

A new student often treads nimbly on a tightrope between a type of individualism which seeks control of the government to obtain private monopolies for a few, and socialism which strives to make everything a monopoly of the State. The thoughtful Georgist is an individualist who opposes any and all monopolies. He wants freedom.

He is the only one who recognizes that the absolutely indispensable conditions of freedom are twofold; that man be free and that the universe he inhabits be free, that is, that access to it must be freely available to all men on terms which recognize their equal and unalienable rights to the earth.

Government is instituted to guarantee these rights under conditions of justice. To assume that government also has such functions as aiding the arts, controlling "natural" monopolies, or issuing money is to begin the slide to that abyss of tyranny—socialism—and away from the very pinnacle of freedom—Georgism.

1 Anne Fremantle, *This Little Band of Prophets: The British Fabians*, p. 20.

2 Ibid., p. 30.

3 Ibid., p. 30.

4 *Progress and Poverty*, p. 412.

5 Ibid., p. 456.

"Land is bought cheaply and sold dearly. The almighty dollar—not human intelligence—is shaping our metropolitan growth. The price we and our descendants will pay is appalling," said Senator Joseph S. Clark.

—Philadelphia Evening Bulletin

How Henry George Helped Win A War

by SYDNEY MAYERS

HENRY GEORGE abhorred war, and devoted his life to urging the eradication of its basic cause. Nevertheless, strange as it may seem, he played a direct part in the waging of a war that lasted almost seven years. It was a somewhat obscure conflict, fought in a limited sphere, but its results were far-reaching and of considerable economic importance. In the history of Scotland it is described as the Crofters' War (1882-1888).

A croft, in Scotland, is a small rented farm. Crofts still exist, but were much more prevalent during the Nineteenth Century, when thousands of "crofters" in the Scottish Highlands earned their livelihood by modest agriculture and animal-husbandry. They were proud, sturdy and frugal, willing to work hard to wrest what they could from the not-too-fertile soil. But increasingly exorbitant demands by the owners of the land made it more and more difficult for the crofters to earn even the meager living they had become accustomed to.

From time immemorial, the Highlanders had lived under a kind of paternal feudalism, befriended and protected by the clan chiefs to whom they gave their fealty. They were close to their "lairds," and if they knew little luxury, at least they were not exploited. When the clan system terminated, about 1845, it was succeeded by landlordism, which unfortunately proved to be of the absentee variety. The distant owners of the land who seldom saw their property or met their tenants, were represented by overseers whose primary function was to exact as much rent as possible. In the exercise

of their duties, the overseers imposed harsh and unjust restrictions on the crofters.

Although passive by nature, the crofters inevitably had to fight back against their oppressors. Actively assisted and financially supported by the famous Irish Land League, the long-suffering Scots organized numerous committees and land leagues, including a Crofters' party,—the first "Labor" party ever formed. In 1882, Henry George addressed a meeting of the Irish Land League held in Glasgow. His speech, which of course expounded his land value taxation proposals, made sense to his audience, and certainly his denunciation of the evils of private land ownership found responsive ears. Who can say what deeper reactions his remarks may have awakened?

In any case, whatever the effect of George's words, the same year saw the first "battle" of the Crofters' War. It took place on the Isle of Skye, where the crofters refused to pay rent until there had been returned to them the common grazing land whose use they had been denied after countless generations of free access to it. When the local sheriff and his deputies came to Skye to serve eviction notices, they were set upon by the outraged farmers, and the legal papers were burned. Ten days later the authorities sent new summonses, the sheriffs being backed up by a large body of police. The crofters were ready for them, armed with rocks, clubs, scythes, pitchforks and the like. Once again the minions of the law were flouted and repulsed.

As the Crofters' War spread through the surrounding Highlands, the vio-

lence made clear to the government the fact that stringent measures would have to be taken, unless some acceptable compromise was found. Accordingly, Prime Minister Gladstone appointed a Royal Commission on Highland Distress to study the problem. The Commission recommended a few reforms aimed at calming the crofters, but these proved to be "too little and too late." The impasse remained, the tension grew, and the skirmishes continued.

Early in 1884, Henry George again visited the Highlands—this time to take a leading role in the crofters' campaign. He was among the organizers of the Scottish Land Restoration League, which demanded the abolition of landlordism and the establishment of peasant proprietorship. That same year the voting franchise was granted to the crofters, who at once became politically active in their struggle for economic and legal reforms.

Political pressure and repeated combat (such as it was) in the Scottish Highlands, plus aroused public opinion throughout Great Britain, finally resulted in the adoption by Parliament of

the Crofters' Act of 1886, which encompassed some of the reforms demanded by the croft tenants. But even these were not effective, thanks to lackadaisical enforcement of the Act. The Crofters' War continued sporadically for two more years, while both London and Edinburgh tried desperately to find a solution satisfactory to all concerned. In 1888, the last "battle" occurred on the Island of Lewis, at about the same time the Crofting Commission, appointed under the provisions of the Crofters' Act, really went to work toward eliminating the injustices which had sparked the whole commotion.

Thus, in the tradition of the embattled American farmers who stood their ground at Concord, the Scottish crofters took their stand in the Highlands and fought for their land. That Henry George boldly joined the doughty Scots in their struggle for economic reform is a credit to him and to his memory, and should be an inspiration to his followers. Perhaps neither George nor the crofters won all they fought for, but their voices were heard and their deeds should be remembered.



"Vol. 1, No. 1"

A spate of interesting new periodicals has come our way, among them the following:

The Green Revolution, a paper put out by the School of Living, Brookville, Ohio, devoted to homesteading, organic farming and a natural way of life.

Fragments, with individualism as its theme, is published at 139 Hempstead Turnpike, Elmont, New York. Jack Schwartzman is chairman of an editorial board which includes Sydney Mayers.

Assent and Otherwise, a venture in the field of personal journalism by Laurence Kobak, staff member at the New York Henry George School (editorial address, Box 2752, Grand Central Station, New York 17, N. Y.).

Inside, a magazine for science fiction fans, Stanley Sapiro, Los Angeles teacher, placed an advertisement of the Henry George School in the first issue.

The Journal of Economic Abstracts, an ambitious undertaking by the American Economic Association, giving summaries of articles appearing in leading economic journals.

A Gallup Poll in Denmark

WHEN the Gallup Institute in Copenhagen directed an opinion poll to residents in 170 districts, one-third of them in Greater Copenhagen, three questions were asked. The results were presented in an address in the English language by Louis Wasserman, professor of philosophy and political science of San Francisco State College—translated into Danish for publication in the Georgist publication, *Vegen Frem*—and translated back to English for HGN readers by Joseph Jespersen of the New York faculty.

Professor Wasserman also analyzed the returns of Danish elections in 1950, 1957 and 1960, and found that the Justice party has a hard core of between 30,000 and 40,000 voters who can be depended on in any election. The great increase in voting strength in 1950 and 1951, he believed, came from two large groups who supported the party for widely differing reasons. Extreme liberals were attracted by its strong opposition to high taxes, trade restrictions, subsidies and welfare policies; and working men who were former Social Democrats were protesting against anti-strike laws in 1950 and 1956. In the 1960 election most of the votes from these two groups went back to the parties from which they came, but with some drift toward the left. He reached the interesting conclusion that the real problem of the Justice party arises from its attempt to combine two ideologies. The full collection of ground rent by the community is seen as a radical and collectivist attitude toward property, while its individualistic attitude in favor of free enterprise and against state interference, taxes and welfare policies, places it far to the right. In this light, any uncertainty of opinion in the sample testing is understandable.

To the first question asked in the poll—if there was a proposal for "Grundskyld" for all Denmark, would you be for or against it—12 per cent answered in the affirmative, 17 per cent in the negative, and 71 per cent didn't know. If the 12 per cent is taken as an absolute figure, it means that one out of about eight persons in Denmark is willing to go ahead with Grundskyld, which is encouraging. But compared with the 17 per cent, it means that among those who have a definite opinion, two out of five favor Grundskyld. The 71 per cent represent the challenge that faces Georgists and the Justice party. But the philosophy can never be adequately or clearly explained in an election campaign.

As to the second question—*why* would you be for or against it—about half of those who favored the proposal gave the reason "it will stop speculation in land." Only three per cent favored it "because it would be accompanied by the reduction of other taxes." No one answered that Grundskyld was "more ethically just" than taxes on income and consumption. Among those who opposed it, 16 per cent said they didn't think such a tax would be reasonable, 14 per cent said it would deprive people of freedoms they now have, 13 per cent said we have enough taxes and don't want more, 5 per cent said such a tax would be too expensive to collect, and 39 per cent were unable to give their reason.

As to the third question—if Grundskyld should be put into effect, should the public pay compensation to the present landowners—19 per cent answered in the affirmative, 13 per cent in the negative, and 68 per cent said they didn't know.

This sampling is presumed to reflect the opinion of some 2,000 persons.

Noah D. Alper's Brief Cases

"INSTITUTE TO STUDY TWO KINDS OF TAXES"

The St. Louis Post-Dispatch, and possibly other newspapers as well, noted the fact that "economic impacts of two kinds of property taxes are to be studied by the Urban Land Institute of Washington, D.C." following the awarding of a grant of \$19,335 to this Institute by the Lincoln Foundation of Cleveland.

The research study, to be completed this year, will be carried on in Milwaukee by Professor M. Mason Gaffney of the University of Wisconsin-Milwaukee. Professor Gaffney is a land economist who distinguished himself as professor of agricultural economics at the University of Missouri. He joined U.W-M. in 1962 as an instructor in urban land economics and related courses in their newly designed program.

It is good to see that this research is to be done by Professor Gaffney who is well qualified. He graduated from the Henry George School of Chicago while still a student in high school.

WHY NOT DO THE FULL JOB?

Juan Bosch, the Dominican Republic's president-elect said his Revolutionary party was pledged to divide the estates of ex-dictator Rafael Trujillo among 75,000 peasant families, as reported in the January 17th Cooperative Builder (Superior, Wisconsin). This will mean an average of 16 acres to a family, and it will, he feels, encourage a shift away from a one-crop economy.

But what of the land highly enriched with rent-of-land in towns and villages, and the natural resource areas of this country so in need of land and tax reform? Why the 'agrarian' mind in 1963? Though greatly interested in cooperatives, President-elect Bosch may see the merits of land value taxation and untaxed production if helped to do so. Why not write to him?

TAX COMPLEXITY AND TEMPTATION—ONE PACKAGE

"Testifying before the House Ways and Means Committee in 1958, Professor Mortimer Caplin argued in favor of reforms to tidy up the tax mess. 'We must recognize,' he said, 'the hodgepodge fashion in which special relief has been granted to various groups and how favors to one have led to many balancing favors to others. Our tax laws have become unbelievably complex. They are riddled with exceptions and preferences. Because of the complexities and inequities of the tax code we have reached a danger point which strongly evidences an undermining of the tax morality of large numbers of people. They appear to be developing a lethargy over tax enforcement, reminiscent of the former widespread attitude under the Volstead Act.'" according to a recent issue of Time Magazine.

The achievement of making the income tax complex and having a host of other taxes ranging from somewhat simple to a high degree of complexity, is all the more amazing when the science of economics and the facts of life say to us—"how did you do it when, at the bottom of the pile, you can only tax the value of land or the values which attach to that which to enjoy we must first make?"

TRICKS OF THE TRADE

"A Chickasaw Indian delegate made a hit in Congress when he concluded his argument against a bill by saying, 'in my boyhood when I was sent from my paternal wigwam to the white man's college for book-learning, I studied in Virgil's Aeneid, or somewhere, the sharp Yankee trick played by the Phoenician Princess Dido on the Choctaws and the Chickasaws of North Africa—how she bought as much of the land as a bull's hide would cover, then cut it up into strings so fine it encompassed the site of ancient Carthage, 23 miles in circumference.'"—Through the Years, 75 years ago, from the files of the Globe-Democrat.

disaster warning

by URQUHART ADAMS

THE Town of Peace River lies in a wide, beautiful valley. A main highway, well paved, descends into the town down a two-mile hill, and sometimes heavy trucks go out of control. There were six such misadventures this year, all at times when only a few people were on the streets, so nobody was hurt. The last one tore down the hill at five o'clock in the morning, plowed into the wing of a commercial garage and reduced it to flinders. The residents became alarmed and suggested that a run-off be bulldozed near the bottom of the hill so that a driver could turn off the road onto an incline and bring his truck under control if the brakes failed. Three government engineers said nothing could be done—the idea was not feasible. So nothing *was* done.

Then at about 6:30 one Sunday afternoon, a truck carrying 4,000 gallons of gasoline raced into town, turned down the main street, hit a parked car, jackknifed and burst into flames from the smoking brakes. The gasoline ran down the street and blazed into a fire that consumed a whole block of buildings. The truck exploded in front of the motion picture theater which was reduced to a mere shell in five minutes' time. Fortunately it was empty—had it been full of people all would have lost their lives.

Within a month after this disaster a run-off was constructed near the foot of the hill, with large signs designating it as an escape route. All the driver has to do is to turn off the main road onto the incline which checks the speed of his truck.

Simple, isn't it? Too simple for the engineers. Of course it's understandable that "experts" trained to over-

come difficulties should be baffled by a situation that presents no difficulty.

This story illustrates the well known fact that it takes a major disaster to rouse people to action. We can reflect, perhaps with profit, that a very dangerous world situation calls for simple but immediate solutions, and that the engineers of the economic system are doing nothing to avert a disaster that may destroy us all.

The solution? Why not the adoption of free trade, the single tax policy—or is this too simple?

Yes, here too, the economic experts say it can't be done. If a solution appears simple they seem to invent difficulties, if only to make it appear that their work takes a lot of brains.

Actually, economic science, or political economy, is the simplest of the sciences. All that is required to understand it is a normal intelligence and a certain willingness to accept its conclusions—in other words, ethical standards sufficiently high to persuade us to accept the golden rule of economics: equal opportunity for all, special privilege for none, and recognition of the fact that honesty *is* the best policy.

For it is really later than we think. It is time to build a run-off if we don't want to be caught up in an explosion of frustrated human energy that will leave few of us alive; and those few living under worse than stone age conditions.

Psychologists, to induce psychosis in rats, tempt them with cheese. As the rat nears the cheese through a maze, it is snatched away from him. He goes crazy after a while, and eats his own feet. Men are different from rats in some ways. They may not eat their

own feet, but they will do other irrational things when frustrated beyond endurance. It is said that half the people of the world never get enough to eat—the cheese is snatched away.

"Take what you like, says God, and pay for it," states an old Spanish prov-

erb. Sometimes, as the Peace River residents discovered, the price for protection is very high, and it increases steadily the longer it is delayed. A disastrous fire could have been avoided by disregarding the professional advice and using common sense.

Land—A Basic Problem

Wylie Young, Executive Director of the Erie Land Tax Association, Erie, Pennsylvania, in a special report to religious leaders, emphasized the importance of the law of rent, with the hope that those who did not understand it would avail themselves of the classes conducted by ELTA, and the printed matter available on request.

Erie now offers promise for Georgists who have been steadily working toward the goal of finding one city to take the plunge and institute land value taxation, thereby affording a test case for others to follow. The Junior Chamber of Commerce is enthusiastically campaigning for this reform, but since it depends on a thorough educational effort, much more money is needed to supply materials. Donations sent to ELTA at 2217 Peninsula Drive, Erie, Pennsylvania will be most welcome.

Mr. Young, formerly a Presbyterian Minister, said "lack of a specific understanding of the nature of land in our economy is at the bottom of the poverty and unemployment which still plagues us as a people." He referred to land value taxation as "a force that would restore human dignity, enhance freedom and re-establish the vanishing power and prestige of democracy and the free enterprise system. The freedom of some to take unfair advantage of others becomes a threat to freedom itself," he said. "In an effort to correct the abuses of ill distributed power we have all but destroyed the roots of freedom itself."

Moral:

It is
cheaper
to beat
her

From
The ELTA
News,
Erie, Pa.



This man is a cad. You can tell by the way he is holding his mouth. He beat his wife. Tsh! Tsh! So he was fined \$100—once.



This man is a good citizen and loves his wife. You can tell by the bow and arrow bit. He built her a beautiful home, so they fined him \$300, not just once, but every year of his life!

"Mirage in the Desert"

THE GARGOYLE published at the New Jersey Henry George School in Newark, has brought us interesting sidelights from time to time on that distinctive sect known as the Amish. We learn that 150 families from Independence, Iowa are leaving "independence" to look for freedom in Canada, because, for one thing, they want to educate their children according to their own pattern instead of being forced to comply with state laws.

They also refuse to pay social security taxes and do not accept any of these benefits. "Take care to eliminate the reasons which are impelling the Amish to leave the U.S. and we will save our freedom," states The Gargoyle.

Colonel E. C. Harwood in the October Economic News (American Institute for Economic Research, Great Barrington, Massachusetts), in a detailed and valuable article, points out that many people who believed their social security taxes were being accumulated as a fund for retirement are finding that the benefits are not sufficient for support. Consequently only those who have other means of support can afford to retire.

The act, however, forces those who become subject to it to pay these taxes, ostensibly to provide for their own retirement or for their surviving eligible dependents, instead of freely selecting their own goals. With all savings handed over to the government in this form no one knows what will happen

to them—with dollar depreciation one may lose much if not nearly all he thinks he has saved.

Furthermore it is noted in Economic News that "the present cost of the social security program has little relation to the ultimate cost when all workers attaining retirement age will be eligible for benefits." If the total population in the year 2000 approximates 250,000,000 and the proportion of persons 65 and over continues to increase at the average rate, about 36,000,000 would be eligible for retirement benefits.

As time goes on, the public assistance and unemployment insurance features under prevailing conditions involve additional substantial costs, which, under adverse economic conditions, with great numbers unemployed, probably could not be met.

"From the viewpoint of those whose earning power is low, the old-age-pension features of the so-called 'social security' scheme as it is working in practice are like a mirage in the desert," states Colonel Harwood. "Such individuals must pay all their working lives but will have no practicable choice but to continue working (and, incidentally, contributing) long after they are 65. Yet the great mass of such individuals apparently are laboring under the delusion that the Social Security Act serves the 'general welfare' and that they will be among the principal beneficiaries."

PROGRESS IN AUSTRALIA

Not to be outdone by Sydney, Australia's new "Terrey Hills Summer School" in a scenic outlying section of the city, dedicated by Miss Peterson on her Australian Tour—Melbourne also activated its building plans. As a result, Progress, that worthy Australian journal "to advocate the rights of the people in the land," published at 18 George Parade in Melbourne, will soon issue forth from a shop in an enlarged and refurbished home. At the opening ceremony interested visitors inspected the new addition and the upstairs portion which will be let to tenants. Donations for furnishings were invited under the very logical heading of *progress*.

The Henry George School in the News

CHICAGO friends are enjoying the revival of classes in Fundamental Economics sponsored by the Henry George Woman's Club. Much credit is due Mrs. Otto Siebenmann, the club's president, and the Reverend Ruth Ann Bassler, minister of education at the People's Church of Chicago, where classes are held. Both women are charter members of the Henry George Woman's Club.

At commencement exercises held on January 18th at Anderson Hall, 941 Lawrence Avenue, 28 students received certificates from George Menninger, one of the instructors. Others who held classes were Mrs. Henry West and George Tideman. Following the program members of the Henry George Woman's Club served refreshments. Many former graduates and friends of the new graduates joined in the festivities. Mr. and Mrs. Lloyd Shawgo and daughter of Lincoln, Illinois, drove 180 miles to enjoy this reception. Mr. Shawgo was formerly a teacher of *Progress and Poverty*. Classes will resume in March at the above address. Most of the graduates expect to continue their studies.

DETROIT has listed in January and February newsletters the names of all people enrolled for classes—and what makes better news than names? The winter term is well under way with classes at five locations. An advanced course in Science of Political Economy will begin on March 29th at 8 P.M. at the Downtown YMCA, Grand Circus Park. A members-only class has been started for the Charles Homeowners by Joseph Pietruska, president of the League to Untax Buildings. He continues to find numerous opportunities for speaking engagements and bookings of the film "Land, and Space to

Grow." It was recently shown to 100 people at a Knights of Columbus Chapter.

Robert Benton, Detroit director, spoke to the Waterford Optimist's Club in January on "How to Have More Jobs Than People." Clubs, churches and other groups are invited to use the facilities of the school's teaching staff and materials for classes on their premises. Speaking engagements and film showings are also encouraged.

WASHINGTON extension news is encouraging as Walter Rybeck, Washington Correspondent for the Dayton Daily News reports that registrations are pouring in for the new class at D. C. Teacher's College. Mr. Rybeck will teach this class and it is being offered in cooperation with the District of Columbia's Distributive Education Program. A class taught by Lee Botens at the YMCA is proceeding well.

HARTFORD merits the sincere admiration of all in the way it has rallied from two severe setbacks—the death of the former director, James McNally, and the loss of their headquarters by fire. It is cheering to report that Mrs. Lillian Hillman has been appointed director. Formerly a teacher, she is a "veteran Georgist" from a Georgist family, and wife of Nathan Hillman who founded the Hartford extension in 1936.

Other officers are: secretary, Helena Kavalier; financial secretary, Thurston A. McGuigan; treasurer, Herbert Leibert; ways and means, Nathan Brenner; and program chairman, Marie LeVan. Officers will be installed on March 12th at a dinner for friends and graduates. The spring class will begin March 19th at the Public Library with Herbert Leibert as leader.

Big Money in the Golden West

MRS. Leoane Anderson, director of the Henry George extension in Denver, seems to attract novel real estate items, which she sometimes shares with her New York headquarters friends. Did you know that for only a dollar a month you are promised, by a Connecticut "development institute," monthly bulletins that will help real estate salesmen "tap a terrific source of business," *clean up*, and attract "the kind of investors who are looking for deals that can pay off in a big way?"

That seems a small price to pay for something that will "find the kind of property investors want, 'dirt cheap'—that can double and triple in value in a few month's time." Please note that "the profit potential is fabulous—a shrewd promoter can turn it into an investor's 'dream.' Like the Florida boom of the 20's, there's no telling how high the value will climb." Not only are you shown how to attract the big investors but you are instructed in the quick sources of financing, 'pay as you go' investment deals, and 'tax angles that investors go for in a big way.'" Another "Guide for the rapid

accumulation of wealth" promises to show how to pick up large tracts of land for \$20 an acre and sell them at "enormous profit to the roaring, rising market for these parcels."

We are accustomed to large figures from the Texas ranch lands, but Colorado and Rocky Mountain areas are not far behind. Mrs. Anderson cannily clipped for us the reported purchase of the famous 18,000-acre A Bar A dude and cattle ranch for a price in excess of \$500,000, to a Denver industrialist. Pure bred Angus cattle from that ranch are displayed at major shows throughout the United States.

Wealth of a different kind is represented by a one-billion-dollar beryllium province with a focal point near Delta, Utah, where mining claims held by Anaconda Copper are being angrily disputed by the Ranchers Exploration and Development Company.

Everything is changing, people say—in the cities and along the countryside. But "ye old West" is changing too, as its picturesque holdings, reflected by current headlines, recall the vanishing frontier of early days.

NEW YORK'S Speakers Bureau has booked engagements in March for two Kiwanis Clubs, a Masonic group, national trade association, church group, and the Economics and Sociology Society of Long Island University. Popular subjects deal with the income tax, Latin American problems and capital versus communism.

Friday evening programs at headquarters present films on March 1st, 15th and 22nd. On March 8th a panel of three women: Kiran Sethi, Ilse

Harder and Josephine Hansen, will compare the situation of women in various countries, and on March 22nd Chester O. Chambers will discuss estate planning.

A class in Spanish now completing Applied Economics at headquarters with undiminished enthusiasm, will continue with the third course, Science of Political Economy, under direction of William Camargo. Rafael Jacobsen is conducting a course in Fundamental Economics in Spanish.



On reading the review of Raymond Moley's *Republican Opportunity*, and the reference to "tolerable taxation policies," it occurred to me, as it often has before, that as fully as possible, readers on the subject of equitable taxation should have their minds disabused of the thought that in the public collection of land rental, one group is unjustly singled out for taxes and the rest of us pay none.

It is often said that a tax on land rental rests on the landlord and cannot be passed on to the occupant. This is only true under certain conditions, notably if the land is "owned" by an "owner" and rented to a user. In this case the user pays the full rental value to the owner—but the owner, if we adopted public collection of land rental as the government income, would pay it to the tax (or, better, the public's rent) collector. Thus "ownership," as a participation in the rental value return, is obliterated.

But the user has paid out the full rental value. If the land is used for a home site this rests on him as at present, but if he is paying it for the site of an income-producing property—a hotel, factory, lumber-yard, or farm—the rental is a cost of doing business and is passed on to the consumer. For if his venture does not carry all the costs of doing business he will soon choose to discontinue or be forced to do so.

Here we see that each customer pays his share of the rent. Every guest at a hotel, every purchaser of goods, every member of a theater audience, pays a part of the land rental as charged into the cost of doing business.

So the idea that only one part of the public pays taxes—that there is unjust discrimination against the landlord—is a mistaken idea. In some way, through some channel, we all pay the land rental. But with sane, intelligent taxation there would not be any landlord to discriminate against!

The tremendously gratifying advantage of the public collection of land rental is that we would not pay it twice—once to an "owner" who contributes nothing, and a second time when we replace it with income, sales and property taxes.

JOSEPH S. THOMPSON
San Francisco

Last October you published a letter of mine on relation of taxes to the price of land (i.e., when the tax is 90 per cent of the economic rent it is 54 per cent of the price and unless understood would seem very excessive).

It is an odd thing that I received two responses; one from France and one from Australia. The fact that I received none from American readers makes me wonder if I failed to make my point clear.

JAMES HAIR
Cincinnati, Ohio

[Mr. W. H. Pitt of Australia wrote to Mr. Hair as follows:

"Where we Georgists talk of land value in the sense of land price, which is the private capitalization of it, we run into a mathematical morass which you recognize. For the more we tax 'price' the less there will be of it. Our revenue base then would have to change. I think a lot of our past trouble may be that the public senses something of this and reckons us a bit muddled over it."]

(Continued from page 1)

skill, energy and initiative is his personal property, and when we tax this we are communizing—making common property out of individual personal property—and by the same token we leave to the individual what society has created. We enrich him at the expense of the people.

"What is it then that society has created? The answer is the value of the land (without its improvements). This 'economic rent' belongs to the people and justice requires that it be collected for the benefit of the people. Now it goes largely into the pockets of private owners." Judge Fuchs emphasized that he does not advocate nationalization or public administration of land, and stressed that "no division can be or should be attempted. From the days of the Gracchi this has been demonstrated to be the wrong method."

He called the proposed Constitutional Amendment "just a small step, but a step in the right direction," and said every legislator should and could support it for two reasons: "first, it is merely permissive; and second, it is giving practical power to the cities of local self government which we press at every occasion and which we give such vociferous support but do not follow through on. With this resolution the Legislature has a great opportunity to practically apply the bulwark of our liberties—local self government."

He admitted the tax reform would temporarily take gains from land-owners who speculate in land—but called it "a blessing to the man who uses this land because all his improvements will be exempt. Furthermore, it will promote the making of improvements, and the only thing it will destroy is the speculation in land which is not constructive but on the contrary very destructive to capitalism and labor."

Judge Fuchs was in the hospital for

a time but is now back at home and is, we trust, recovering rapidly. It is typical of his forthright love of his state and his country, that he closed with the statement, "as a citizen of Texas, whose grandfather came here over 100 years ago because he was opposed to monarchy, I plead with you to give this due consideration."

The Pittsburgh Plan

Newspapers continue to feature the Georgist proposal in bolder and less apologetic headlines, and for Georgists who labored for years without ever seeing any mention of land value taxation in newspapers or magazines, this is a heartening trend indeed. The Real Estate Editor of The Sunday Press (Pittsburgh) in a headline, quoted Percy R. Williams, Executive Secretary of the Henry George Foundation, as saying that Graded Taxes Ease the Home Owners' Burden. This extensive two column report summarized Mr. Williams' article in The American Journal of Economics and Sociology with its battery of detailed facts in support of "Pittsburgh's 45-year-old 'experiment with incentive taxation.'" This article is one of a series which will eventually be published in a book, by the Robert Schalkenbach Foundation, publishers of the above journal.

Mr. Williams was a former City Assessor in Pittsburgh and was also secretary to the late Mayor William McNair. He is quoted as saying that "the only valid criticism advanced by friends of land-value-taxation is that the graded tax law does not go far enough." He concedes that "there still are some serious inequalities in land assessment, due chiefly to a tendency to undervalue land in the newer sections of the city, and to maintain a higher ratio of assessment to market value in older sections." He concluded however that "enough has been accomplished

to show how a city may make an effective approach toward untaxing improvements."

The "Pittsburgh Plan" has caused that city to be mentioned in many newspaper reports throughout the world, and its publicity value is perhaps overlooked in the many discussions over technicalities. In the Chicago Tribune of January 27th, for instance, we read that "the Beverly Woods-Kennedy Park Civic Association has indorsed a site value taxation system (as used in Pittsburgh, 16th largest city in the United States) to combat Chicago's rising real estate taxes, as well as encourage improvement and upkeep of neighborhoods."

The attorney and president of the association stated as the principal advantages of the site method that it forces improvement of valuable urban land to its highest income advantage, curtails land speculation because high 'site' taxes won't permit valuable vacant property to be held off the market for subsequent exorbitant profit, and would decrease the tax load on residential land away from highly valuable commercial sites.

And if further proof is needed of the growing acceptance which Henry George himself foresaw, we quote from a page torn out of a Florida AAA tour book, regarding Fairhope, Alabama which begins with these statements: "Henry George's Single Tax System was adopted by four families who founded Fairhope in 1894. They

established the Fairhope Single Tax Corporation and leased the land within the original village for 99 years. Tenants own the improvements, but the Single Tax Colony pays all the taxes."

New Zealand and Australia too, are often mentioned among the places where land value taxation is proving successful. Encouraging news from Wellington states that the New Zealand League for the Taxation of Land Values has been active in promoting rating polls up and down the country. The favorable tabulations of these polls are listed in a report from the president, Dr. Rolland O'Regan, who will come to the United States in the spring to address a number of universities, under sponsorship of the Robert Schalkenbach Foundation. He will be the guest of honor at the annual banquet of the Henry George School in New York on May 8th.

Present activity centers around Auckland City, largest in the country and one of the two remaining New Zealand cities not already benefiting from land value rating. In six months, with very little financing, nearly 15 per cent of ratepayers' signatures were obtained for the purposes of requisitioning the poll. It is expected that the necessary 1200 additional signatures will be raised later this year, and the poll would be held shortly afterward. If it is significantly heavy it will be one of the biggest single extensions of land value taxation ever.

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