

the Henry George News

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What Kind of Member Are You?

"H AVE you ever watched through the long dark night and seen the first faint glimmer of dawn?" asked Joseph S. Thompson in a recent letter. Mr. Thompson is president of the Henry George School in New York and in San Francisco and was re-elected president of the International Union for Land Value Taxation and Free Trade.

The man affectionately known as "Joe" Thompson, and other seasoned observers, sensed this "first faint glimmer" in the widening and stirring movement to which some have given nearly a lifetime of devoted attention, when the international conference was held in New York.

The many years of patient teaching in the school founded by the prophetic Oscar Geiger were seen at last to be focusing here and there in a variety of ways, eclectic and yet united. But in terms of history the 85 years since the publication of *Progress and Poverty* have not been a very long time to wait for a basic reform to gain attention. Considering the difficulties to be overcome, it is remarkable that in several states in the U.S. legislative changes are being studied based on land value taxation.

There is thrilling progress in other countries too. Latin Americans have responded because they quickly appreciate the importance of LVT. Canadians and British Georgists report for-

ward strides, and the editor of *Land & Liberty* (London) said at the recent conference, "land value taxation is becoming *respectable* in England."

If you want the efforts of the Henry George School here to keep abreast of this growing movement, now is the time to underwrite it with your maximum support. The achievements so far have come about because a few people were thoroughly convinced of the effectiveness of Henry George's method. These people have stood together year after year, lecturing, giving their services as teachers, and contributing money. So great is the belief of those who fully understand this principle that many have gone far beyond what would normally be expected. The faithful ones helped and hoped through periods of discouragement when there was never the slightest sign of such recognition as can be found frequently today in newspapers.

Now that confidence is growing, don't miss this opportunity to contribute to the Henry George School's wide educational and research program. At the center of the plan has always been the presentation of the principles of Fundamental Economics four times a year to all who would come. The classes must continue more earnestly than ever as preparation for students, some of whom will carry this straight-

(Continued on page sixteen)

A Word With You

EVERY student of Henry George is confronted with the question of how applicable the theory is to current events.

The beginning student follows the Georgian analysis and goes along with it while he is at his study. But away from his study it seems unrelated to the world he knows—the world of real estate, the stock market, bookkeeping, housekeeping, inflationary prices, tax regulations, and so on.

The more advanced the student becomes, the more he can relate the basic principles to what is going on about him. He does not have to be so frequently reminded that economic laws are really out there plugging away and not just dozing in a textbook.

The thorough Georgist eventually sees the law of rent operating everywhere, in a parking lot and a bowling alley, in Cuba and Viet Nam, in the war on poverty, and the civil rights struggle. He needs must say what he sees, at the risk of being considered a "pest" and a "nut." It is well to be discreet, however. It is quite true that the law of rent operates everywhere, but there also exist other things, other laws, other values, which deserve to be respected. I came across an old newspaper headline while browsing in our files: "Single Tax Will Cure Some Immorality, Speaker Says." Our Georgist friend evidently was reserved enough to say "some" and not "all."

Another tendency we must watch out for is that of pretending to know more than we do. Economics is one of those subjects—like politics—in which many people like to pose as experts, claiming to know a lot of untold inside stories. This, too, is an area where restraint ought to be exercised.

We Georgists do see something that is very important and very neglected in current economic affairs. We do not see it all, however, and we need not feel obliged to know and account for all the details of the rapidly changing scene. We should be willing to study and learn, while never forgetting the golden lesson we *do* have to teach.

Still another pitfall amongst us Georgists is the encounter with one another in interpreting current events. Each of us tends to bring his own baggage of opinions and predilections into the Georgist camp and call it "Georgist," expressing shock that anyone else could have brought along any other kind of baggage.

But eventually we discover that the philosophy of Henry George attracts a great variety of people, of all sorts of backgrounds, faiths and political creeds. In the carrying out of a principle, there is no single way, but a choice of alternatives. There will always be disagreements on the best way, but if we "keep our eye on the ball," we may yet work together enough to win out.

—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, N.Y. 10021, 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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Vancouver's LVT Study

"**M**UCH has been spoken and written about the effects of taxation on development, but precious little has been based on scientific investigation, especially in North America," said Frank Wiles, an associate of Mary Rawson, in an address to the international conference in New York in August.

He illustrated a carefully documented study of relationships between development and taxation and shifts in tax burden in downtown Vancouver, as well as development consequences resulting from a change to land value taxation. Vancouver, with a population just under 400,000 is the largest city in British Columbia. Of the two million population in the Province, nearly half live in this metropolitan area. The central commercial zone of the city contains the head offices of firms and retail outlets serving the entire province. The pattern is generally consistent with what one would expect, with the peak values radiating out along major traffic routes and at the intersection of important streets.

Last year 73.6 per cent of Vancouver's total revenue (\$67,302,699) was derived from property taxes and levies. Thus property taxes are the major source of revenue by a considerable margin. Land contributes a little under half of the property tax revenue and about one-third of the total revenue. Land is reassessed every year, but improvements, where values are changing slowly, are reassessed only every five years, although they may be amended by allowance for depreciation. Reassessments are more frequent where or when values change more rapidly, and when changes in value occur through construction, alterations or demolition.

Information on assessments in the central commercial zone was compiled, parcel by parcel, and related to the data available for the city as a whole. Consequently it was possible to deduce information about the non-central area and to make comparisons. One might expect to find that a change to land value taxation in the industrial zone would result in a shift of tax burden to that area, but such does not appear to be the case.

A change to LVT would shift the tax burden from intensively to poorly developed properties — that is, from those with high ratios to those with low ones. Thus there would be a shift from the remainder of the city to the central zone. However since the ratios studied were only slightly above and below the average, the shift is hardly significant. Shifts within the commercial area and between types of land uses, appeared to be more significant — the most dramatic being that from apartments to "vacant" lands. Within the commercial and industrial classes there are many gasoline service station sites and many nearly-vacant parcels such as those used for parking lots and advertising billboards. These would receive a significant impact as a result of a change to LVT — a fact which is concealed by the over-all ratios.

In the zone studied 45 per cent of the total values occupy only 10 per cent of the land area. These parcels contain 26 per cent of the land values as compared with 55 per cent of the improvement values. Thus improvement values are more highly concentrated than land values.

Shifts in the incidence of taxation following a change to LVT would depend on the ratio of total assessed

value to assessed land value. The land value tax has been plotted as a percentage of the present tax against the ratio. The average ratio for the city is a pivotal point in that taxes under LVT would be the same for properties at this ratio, but they would be lower for properties with higher ratios and higher for properties with ratios below the city average. The degree of increase or decrease resulting from the change depends on the "distance" away from the average ratio. Within the core there would be substantial increases on the poorly developed sites and moderate increases on many of the well-developed sites.

The shifts in incidence of taxation resulting from LVT have been discussed in terms of increases and decreases, but these might be considered by those affected as penalties and benefits respectively. In analyzing the overall economic effect, one might consider a decrease as a removal of a penalty and an increase as the removal of a subsidy. The subsidy resides in the fact that low-ratio properties either are not developed to their present full potential, or that the landholder is enjoying more than his fair share of community-created value, or both.

Removal of this subsidy would tend to make land withholding less attractive, while removal of the penalty would make constructive investment more profitable. Revenue from low-ratio temporary uses, such as parking lots, would be less adequate for "carrying" the property. This effect would have a bearing on blighted properties and such non-blighted uses as billboard hoardings and service stations.

The near-vacant sites would probably become smaller in extent and fewer in number and the parking function many of them now fulfill would be more efficiently performed by parking structures. Increased incentive to invest in buildings, resulting from the removal of taxes on improvements, coupled with the increased tax incentive to use the land productively, would loosen up the market in downtown real estate. At present the economic well-being of the main downtown retail streets is endangered by an increasing vacancy rate as firms go out of business or move to secondary streets, or suburban shopping centers. Rents are often held (by absentee owners) at levels based on a productivity higher than that presently indicated by such practical factors as pedestrian counts. If there were both greater pressure and greater incentive to improve the convenience and amenity of the downtown area, both business tenants and shoppers would be more inclined to patronize it.

The combined "carrot and stick" tendencies of the LVT in encouraging development and discouraging withholding would facilitate consolidation and redevelopment of areas having divided ownership at present. On one hand developers would be more apt to realize the full potential of enlarged sites if there were no tax penalty for so doing. On the other hand one could expect the construction of large modern buildings more in keeping with today's needs and tastes. The data indicated a strong correlation between site size and intensity of development relative to land values.



The battle with the slum began the day civilization recognized it as her enemy. It was a losing fight until conscience joined fear and self-interest against it. When common sense and the golden rule obtain among men as a rule of practice, it will be over. The two have not always been classed together, but they are plainly seen to belong together.

— Jacob A. Riis

How the Danes Do It

PERIODIC valuations in Denmark show for each lot or real estate holding, its total value and the value of the land alone, as distinct from improvements. The difference between total value and land value is attributed to improvements. This is the base established for taxation of land values and improvement values, as explained by Mr. K. J. Kristensen of Copenhagen, former Chief of the Valuation Department of the Directorate of Assessments, when he spoke at the international conference recently in New York.

Like most countries, Denmark derived a large part of its public revenue from taxing landholders in ancient times, and until 1903, when taxation of incomes was introduced, the direct tax was mainly on land. The income tax evoked widespread protests from small holders who had already warned that the only way to modernize the land taxes was to base them on the value of the land alone.

For some 20 years trial land valuations of various kinds were made, and in 1933 a law was passed reducing the rate on buildings and placing the greater part of the tax on land. But over the next 25 years growing resentment against the tax on improvements led to the exemption of all new buildings and all future increases in their value. New acts in 1958 and 1960 provided for a still greater proportion of increments to be taken. The latest, effective in 1965, will provide that the land value be temporarily fixed at the figures established prior to 1963.

For assessment and valuation purposes the country is divided into local districts, comprising either all or part of a town or parish. In each district

two citizens are elected for four years to act as valuers. They are guided by a chairman nominated by the government who controls ten to fifteen local valuation districts. These chairmen constituting the County Valuation Board, prepare the valuation maps. Since this organization is composed of many local valuation committees, each representing its small district, the closest possible contact is insured between citizens and authorities, and valuation of the entire country is completed in one year. The work is done by about 4,000 men who have their private business and undertake the valuation duties virtually in an honorary capacity.

As a preliminary to valuation, owners supply their figures with particulars of all land transactions in the district during the past year, also information as to the area, description, size of buildings, mortgages, amount of annual rent and purchase money paid within the past ten years. In the interval between the general valuations a special valuation is made when land is subdivided, when buildings are erected, or when significant structural alterations occur.

Before assessment the general level of values in each district is determined. In rural districts the board studies a few properties in each parish to insure a consistent valuation in harmony with those through the county. The local committee then assesses each property according to this standard.

In the towns valuations are established on the basis of a plot of normal depth in each street or part of a street. Questions may arise as to how valuations agree with the market price, which should be the standard; and there is some difficulty in making this comparison, because the most valuable

sites are usually built on and are sold with the buildings. Since selling value is affected by existing taxation, assessments based on sales do not represent a capitalization of the full economic rent of land.

Account is taken of all public burdens and covenants apart from improvements, but not of private burdens or covenants unless they arise in connection with an adjoining property where the corresponding benefit is taken into consideration in fixing the assessment. Assessments include, with the land value, improvements which merge with the land such as draining, levelling, irrigation, etc., as well as expenditures for streets and sewers. The owner has a right in every case to claim as a deduction the cost of improvements made within 30 years prior to the date of the valuation.

The law provides special rules regarding agricultural land, forests, other lands, and tenements, but the term agricultural land applies only to land best used for agriculture. Where land has a higher than agricultural selling value it is not to be valued as farm land even though it is presently being used for farming.

Woodland is so designated by law only when it is most profitably suited to timber growing and it is assessed at a value representing a good condition of forestry, but deductions for improvement should be allowed for interest and other expenditures necessary to bring it to its profit-earning capacity.

On other property the land value is to be appraised at current selling prices when sold for the purpose for which

it is best adapted, taking into consideration the size and shape of the site and its possibility of being subdivided or joined to other properties.

When the valuation is completed the district valuation rolls, together with the land value maps, are made available for inspection. These large-scale maps are essential instruments, for they show the assessed street values for the towns, and for the country the land value per hectare of each separately assessed plot. They are then published in book form for sale to the public. This volume contains a complete statistical record of the taxable land values, taxable improvement values, revenues from property taxes, the percentage rate of LVT, tax-free deductions on improvements and proportion of total revenue derived from real estate taxation for every town, parish and county. Every subdivision and other aggregation of land must be approved and entered as well as every transfer of property, mortgage right or other private claim on fixed property, in order to enjoy the protection of the law. A second section gives valuable statistics on personal taxes.

Within a certain time the valuation board makes such corrections as are found necessary to establish uniformity within the county. Appeals come before the board and can, on request, be carried to a taxation court. Where a valuation occasions many complaints something is presumed to be wrong with the work. On the other hand, one cannot conclude that it is satisfactory when only a few complaints arise, because this may indicate that valuations are too low.

T'S, NOT B'S, IN HER BONNET

The Missouri Public Expenditure Survey, made by a taxpayers' organization in Jefferson City, revealed 150 taxes hidden in a woman's hat, 116 in a man's suit and 100 in an Easter egg. The files of the St. Louis Globe-Democrat abound in such wry bits of information wearily shrugged off by most readers because they would rather not know.

A Plan for the Planners

by SYDNEY MAYERS

WE may, with evident justice, question the value of the numerous schemes which over the years have been proposed with a view to solving the omnipresent problem of poverty, but certainly there has been no dearth of appealing slogans. One can recall the Full Dinner Pail, the Return to Normalcy, A Chicken in Every Pot, Two Cars in Every Garage and Prosperity Just Around the Corner — not to mention the New Deal, the Fair Deal, the New Frontier and the Great Society.

Under these banners, there has been a succession of pseudo-economic programs, designed to spread the wealth, raise the common standard of living and improve the unhealthy conditions stemming from poverty. Alas, though the goal is undoubtedly commendable, the results of such efforts have never matched their purpose or their promise. In the U.S.A. we use local nomenclature, but our activities have been curiously reminiscent of the repeated Five-, Seven- and Ten Year Plans worked out by various other countries engaged in similar endeavors.

One would think that by now, after decades of sincere trial and obvious error, our political pundits might at long last realize that, no matter how well-meaning, the anti-poverty plans that have been proposed have been demonstrably unsuccessful. In fact, since these proposals are essentially alike in nature, it is almost incredible that their lack of validity should not be appreciated and accepted. Yet we try the same schemes over and over again, notwithstanding that they are patently doomed to failure.

After all the Five Year Plans which

it enthusiastically sponsored, the Soviet Union has yet to attain economic security for its people. After all the "deals" that have been offered as economic panaceas in the United States, a new "war" recently had to be declared against the poverty still prevailing in this, the most progressive industrial nation on earth. Clearly, the plans and the deals have not worked, and political intelligence demands that economic shibboleths be discarded in favor of valid principles of political economy. If this must be done "according to plan," one is here respectfully suggested, which would be moral, equitable and (we are confident) quite efficacious.

The Plan? It first must be recognized that poverty arises primarily from the curtailed production and the maldistribution of wealth. These conditions ultimately are caused by unjust taxation and the private appropriation of the use-value of land. Elimination of these basic causes of poverty depends on the abolition of the prevalent system of land-holding, which channels to the landowner the site-rent which the community has created. Ergo, if the rental value of land were turned over to the whole community for its own mutual benefit, other taxation would not be necessary, and everyone would receive the full fruit of his productiveness. End of poverty. End of plan.

Simple, isn't it? Perhaps oversimplified. Maybe a nutshell is not enough. Henry George, in *Progress and Poverty*, took 563 pages to expound this plan — but he did it much better! Everybody should read it. Especially Planners.

Sydney Mayers

VIEWS THE NEWS

The Verrazano-Narrows Bridge, which was ceremoniously inaugurated on November 21, is a monument to the imagination, skill and daring of the designers, engineers and builders who planned and constructed it. Unfortunately, it is also a monument to the system of landholding under which this magnificent bridge, erected by and for the people, will serve to increase land values on Staten Island, not for the benefit of the community, but for that of the private landowners into whose pockets the rent will flow.

* * * * *

Following two major jewel robberies in New York, from the American Museum of Natural History and from the Seventh Regiment Armory, Aleksei Y. Kudryavtsev, Deputy Police Minister of the Russian Republic, reported that "rare and priceless" articles had been stolen from Moscow's Historical Museum in "one of the most daring thefts in many years." There seems to be no field of enterprise in which the Soviet Union does not endeavor to outperform the U.S.A.

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Although it is illegal to manufacture, distribute or possess liquor in Mississippi, this sovereign state has imposed a profitable tax on the "importation" of that commodity, which its citizens "import" mostly from the less teetotaling state of Louisiana. It is pleasant to report that, not only are the sellers of the juice and the drinkers thereof happy, but so are Louisiana and Mississippi — proving anew that trade is a mutually agreeable enterprise.

In his 1964 Thanksgiving Proclamation, President Johnson said: "Although we have been blessed with unsurpassed prosperity, we recognize that poverty and want exist throughout the world — even among us." This frank statement, almost an echo, pointedly reminds us that we have not yet solved the "Problem" posed by Henry George in 1879: "Why, in spite of increase in productive power, do wages tend to a minimum which will give but a bare living?"

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Britain's new Labor government, having taken office by the slim margin of four seats in Parliament, has briskly moved to nationalize industry and increase taxes. The consensus among the politically sagacious is that the incumbent British administration will last about six months — and that, dear readers, is not a *non-sequitur*.

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The Soviet economist Belousov has called for the extension to heavy industry and all other branches of the economy of a profit incentive system already put in effect in some consumer-goods industries "to replace cumbersome centralized planning." It is mighty intriguing to observe how often the USSR turns to "capitalistic" devices when it is in an economic jam.

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While cogitating on the above, it is noteworthy that another dispatch from Moscow reports that the Russian Federation, the Soviet Union's biggest republic, has eased restrictions on private garden plots and cattle. May we boldly wonder if this indicates a non-socialist trend?

Please Don't Use that Word!

HOUSE & Home, having moved from the Time and Life Building, is now happily at home at McGraw Hill. As noted in the October HGN its September issue contained a sentence with an unwelcome word to Georgists: "site valuation tax is no *panacea* for land problems."

In the exceptionally striking November House & Home a few familiar names appeared among the published letters, taking issue with this, and permission to reprint them was cheerfully granted.

Walter Rybeck, Washington correspondent of the Dayton Daily News, wrote:

"Many are becoming aware that land price spirals undermine communities and price decent housing in the stratosphere. Few have gone as deeply as your September issue to pinpoint major causes — illegal assessments and undertaxed land. Obviously, site valuation is no panacea. But once land values are taxed equitably, other planning tools (zoning, code enforcement, balanced transit systems, open-housing covenants and green belts), none of which by themselves are panaceas either, should function better. How can we hope for healthy cities so long as lopsided real estate taxation encourages land speculation, slums and urban sprawl?"

From Scranton, Pennsylvania, where for almost 50 years land has been taxed twice as heavily as improvements. John M. Kelly, a Scranton realtor, expressed approval:

"Congratulations on your splendid land issue. As one who lives and works in a community suffering the typical inequities and injustices imposed by archaic assessment patterns and techniques, I was particularly attracted by your recommendations.

"It was pleasing to see Henry George's single (land) tax theory mentioned; but I couldn't help feeling that the value of his theory was too quickly dismissed. . . . As a daily witness to a modified Henry George system, I can tell you that it's not the answer, and for the reasons you pinpoint — unequal assessments, inordinately low assessments on raw land, etc."

P. I. Prentice, vice president of Time, Inc. and formerly the editor of H&H, entered this sanguine protest:

"September is indeed an outstanding issue that should give a lot more people in the homebuilding industry a better idea of the harm being done by land price inflation and also a quicker understanding of some of today's new ways to use land better.

"It is unfair to Henry George to suggest he was foolish enough to think a single tax on site values would pay the cost of government at today's lavish scale, but it would have been quite enough in his time, when the total cost of state, local and federal government combined was only 2 per cent or 3 per cent of what it is today.

"No one thinks site value taxation is a panacea, but it is probably obvious that if land were taxed more heavily landowners would be under more pressure to put it to better use; conversely, if improvements were taxed more lightly, the prospect of higher taxes would be less of a deterrent to improvements, replacements and new construction.

"If you put the wrong building on your land or if your building becomes obsolete for its site you are stuck with it until you tear it down; but the low replacement rate of wrong buildings is almost as serious a problem as the amount of raw land held off the market by speculators; and there is no more excuse for subsidizing wrong or

obsolete buildings by undertaxation than there is for subsidizing speculation in vacant land by undertaxation.

"It is just plain nonsense to suggest that heavier taxes on land would lead to higher slum rents. All respected economists from Adam Smith to Colin Clark have agreed that the land tax is one that cannot be passed on. Except under rent control slum rents are already all that the traffic will bear.

"It is also nonsense to suggest that heavier land taxation would encourage intensive development everywhere. On the contrary, the more intensive use of central land it would stimulate would almost certainly siphon off de-

mand from the farther areas of suburban sprawl and thereby lessen the likelihood of premature subdivision.

"I agree with you that we need better zoning and better planning, including better metropolitan planning. But Van Ettinger of the Baucentrum in Rotterdam said a mouthful when he said: 'It is impossible to make good land planning effective in the face of land speculation.'"

[It might be noted that, while Henry George would probably not expect the rent of land to pay for the entire cost of government "at today's lavish scale," he did—and his followers do—anticipate that the cost of government would drop sharply once the single tax were instituted.—R.C.]

More LVT for Cleveland

The (Cleveland) Plain Dealer of November 13th carried a rewarding headline, "New Valuations Reflect Single Tax Ideas," and boldly connected the new tax with the ideas of Henry George and the late Mayor Tom L. Johnson. The County Auditor, Ralph J. Perk, has been supervising this reappraisal, and says the Cleveland tax rolls will include decreases in home values and increases in the value of all classes of land. In this valuation, which is still to be approved, an LVT increase of 25 per cent over 1963 is assured.

City homes will show value reductions resulting from a \$35 million increase in residential land values, and a decline of \$41 million in the appraised value of the homes. Mr. Perk attributed this to an "economic depreciation factor" which "allows a lower rate for residential property located

close to industry, freeways and non-residential construction. The over-all duplicate will show an increase of \$100 million over 1963 — over-all building values will decrease from \$1,432 billion to \$1,375 billion."

Auditor Perk explained that where the previous taxation policy was to lean heavily on buildings and less on land, the policy now is to lean heavily on land and only lightly on buildings. He said, "this is a move in the direction of the 'single tax' ideas of Henry George and Mayor Tom Johnson, who believed that larger taxes on land encourages owners to develop their land rather than hang on to it. It discourages land speculation."

The Cleveland extension director, Ivan Dailey, who sent the above information, has kept HGN readers informed on this reassessment program.

In Nassau County, New York, property valuation is up 4 per cent, reflecting a drop from the normal growth rate on improved property and a 2 per cent vacant land increase, initiated by County Executive Nickerson. A "considerable burden of taxation" has been lifted from homeowners' shoulders and county general and police funds will benefit greatly.

Rediscovering Human Values

A NEW and better world characterized by liberty with responsibility is the hope of Ralph Borsodi, author of *This Ugly Civilization* and other books, and founder of the School of Living (now at Brookville, Ohio, the home of Mildred Loomis).

In his "Pan-Humanist Manifesto" he has outlined a program of educational reform with leadership by a new elite, which would permeate all instruction, beginning in the home and carried throughout the academic world. This should be accompanied by re-education in values and purpose. Family systems, he believes, must become integrated again in an organic entity, and revival of the small community is essential.

"If we neglect man's inner spirit," he says, "if we do not instill love of liberty, beauty, truth and justice in ourselves and our youth, the notion that a perfect set of political or economic institutions will create a good society is fantastic. If our goals in life are vulgarized instead of humanized, if our creative faculties are dulled in our homes, schools, recreation and work, the best set of institutions will be perverted."

To arrest the present drift into mechanized barbarism and individual freedom as creative human beings, he says we must have the courage to assert ourselves. "We must part with those who advocate sentimental socialist follies and expose the politicians who call the Welfare State democracy. We should make it crystal clear that there is no one panacea for the problems of society."

Economic justice is predicated on equal access to natural resources, also freedom to work for and with the persons of one's choice. It is not economic justice to pay a shiftless worker

with the same wage as the diligent worker nor to reward in the same way one who has saved and taken on the risks and responsibilities of an enterprise and one who has invested nothing and takes no responsibility of any kind.

Nor do we solve the problem by substituting economic equality. "Economic justice is the expression of natural, moral laws. Equality is an attempt to abrogate them. Justice provides economic incentives; equality destroys them. Justice rewards contribution; equality is a form of compulsory charity. Voluntary, individual charity to the victims of unavoidable misfortune is a human obligation. Economic equality, governmentally controlled and enforced, is compulsory and immoral 'charity.'"

Mr. Borsodi pleads for a just system of land tenure, since equality of access to natural resources is essential to equal opportunity. "All the natural resources of the earth — the land, forests, oil, minerals and waters of the Earth — are the gifts of nature and of nature's God to all mankind. No title to absolute ownership of any part of the Earth can be traced back to a deed issued by the creator of the Earth. All natural resources are by their nature trustery, not property."

He would have land held in trust, not subject to private ownership, sale and speculation. But this does not prevent it from being privately possessed and privately used, in order to furnish incentive to its fullest and most efficient use.

The manifesto urges a banking system free of government control, a free market, free trade, free enterprise, free speech and free peaceful assembly. These rights are predicated, however, on the observation of correlated, natural obligations, such as: the obligation

to work and maintain one's self, to conserve the land and hold it in trust, to respect the person, possessions, rights and premises of others and to share the burden of protecting these rights and enforcing these obligations by answering the call of any properly constituted local, regional or world authority to defend them, even at the cost of life and property.

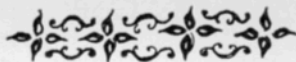
He advocates limited government and local autonomy, with emphasis on federation and says, "the United Nations, as now organized, violates basic principles of federation. It is a fraud because of the pretense that it is an agency for maintaining peace . . . Millions of people are governed by so-called 'people's democracies' which are in reality dictatorships of native communist oligarchies, as in Soviet Russia and Communist China. Millions more are ruled by a combination of native and foreign oligarchies."

Democracy, he finds, functions effectively only in the smallest units of government. "It breaks down and falls into the hands of political party oligarchies in larger ones. The larger the nation, the more ineffective are democratic and republican constitutions. When so-called democracies break down, foreign intervention is invited."

However, the leaders of the free world have failed to offer mankind a convincing formulation of their faith. "They apologize for it and so become the defenders of all the injustices and all the evils in the 'free' world which Marxists and other critics properly condemn."

The Marxist slogan in Lenin's Russia, "All Power to the Soviets," means "all power to the state." This includes liquidation of capitalists and expropriation of all property, including the savings of the middle classes and the land and livestock of farmers, accumulated by thrift and self-denial. Submission to the so-called "dictatorship of the proletariat," is submission to centralized political, economic and educational power in the hands of the one-party "commissars," planners and bureaucrats for an indefinite time.

Many people are sick of a world which seems to have lost its bearings, in which the spirit is alienated from man's self, from Nature and from his own kind. "A Pan-Humanist Manifesto" suggests that people are looking for something fresh and new — something that would give to their lives purpose and meaning worthy of the spirit of man. For this a new leadership is needed in this time of crisis.



A LATIN "LAND" ISSUE

From Argentina comes the May-June issue of HYS (Hombre y Suelo, or Man and Land). The entire issue is devoted to "reflections on the living philosophy of Henry George," under the heading "Property in Land." The guest writer of this special number is Victorino H. de la Riega, agronomist, professor and Georgist of long standing. Beginning with economic definitions, Sr. de la Riega explains the causes of land rent and sets forth the argument for its social appropriation.

Having built up a strong case for land value taxation, the author also points out some reasons why the doctrine has not been more widely accepted: One reason is the confusion promulgated by Marxists in lumping land and capital together; another is that the philosophy appeals to reason rather than emotion; and another is the opposition to the doctrine by vested interests. But Sr. de la Riega is certainly doing his share in promoting the Georgist philosophy, and we heartily welcome the collaboration of this new-found colleague in the Southern Hemisphere.

Adapting Use of Land

MAN AND LAND IN THE UNITED STATES, by Marion Clawson, University of Nebraska Press, Lincoln, Nebraska, 1964. 180 pages. \$4.50.

Reviewed by DOROTHY SARA

In simple, nontechnical language, this book traces the history of the evolution of land use in the United States from the arrival of the first settlers to the present day. The author tells, in short (almost synopsis) form about the purchases of lands from foreign governments, and how, as the country grew larger in its land holdings, man has used the land under the laws and conditions established by other men. He discusses the kind of land tenure system (laws and customs) that a people create and use, dependent in great part upon their natural environment; for instance, in an arid climate they are likely to have different laws relating to use of water, than they will have in a humid climate.

The author, Marion Clawson, is Director of the Land Use and Management Program, Resources for the Future. This is a nonprofit research and educational institution financed by the Ford Foundation. He was formerly on the staff of the Bureau of Agricultural Economics of the U. S. Department of Agriculture, and has to his credit many other affiliations in land management programs. His book shows interest in the use of land in forest, farm and urban areas; it discusses federal land uses and grants. But the book does not go into depth regarding land speculation or the economics of land value taxation. Actually the author sees no need for appraisal and study of this facet of land and the way man uses it; he says, "Those of us who believe in democracy also believe that private ownership of land is essential

to a democracy. Land titles are one of the things we take for granted in the United States." These statements, of course, are subject to question by those who have made a study of land value taxation.

In a readable manner the book tells of the progression from feudalism to colonialism, and the way in which the latter led to settlement patterns in the various sections of this country. Several charts and drawings help to substantiate the author's writing which seems to be directed more to stimulating the interest of the young student in school than to the adult whose interest lies beyond the mere chronological history of land settlement and man's adaptation to the growth of the land areas.

In discussing the problem of slum areas, Mr. Clawson is most sympathetic to the low-income and racial groups who are the chief victims, and he raises questions as to why urban renewal programs are not eliminating slums. But he does not seem to recognize the basic reason for slums nor does he offer any solution; he merely questions.

The book goes into a comparison between the development of land ownership and use in the United States and in Latin America, showing the sharp contrasts existing in the two continents. The author states that land reform is a burning issue in Latin America, while in our country he finds that "... we are indeed fortunate ..." in our system of land ownership and land use, and he does not recognize or state any need for reform here.

In the last chapter, Mr. Clawson summarizes the various policies and issues applicable to the various types of lands: urban, parks, recreation and open space, agriculture, forest, highways — and raises questions as to the

ways such lands could be used. He does not lead the reader to any conclusions or solutions, and the very last sentence states, "They nearly all demand public action of some kind, and public action means public decisions." Yet he does not in any way show how such action and decisions might be

achieved, and the book would have served a better purpose if, in addition to a history of land acquisition and its uses, the author had also included a bibliography to guide the reader who might be interested in a further study of the land and its part in the economic picture of our country.

History and You

FROM Balboa in the Canal Zone, John A. Morales writes to comment favorably on the report of the conference in HGN but notes an impression of a "dispersal of effort," and wonders if the movement might not benefit from concentrating in one direction. Observing that it is difficult to sell ideas abroad when they have failed at home, he suggests that Pennsylvania is a springboard, and says, "because of the tremendous amount of footwork done by the Erie Land Tax Association, it would seem they should have our moral, physical and financial help in order to bring about the 'breakthrough' we would all like to see."

Mr. Morales has put into words a situation which is so important that immediate action is needed. The Erie Association must now take its case to the people. The executive director, Wylie Young, is daily calling on residents to show them how much they would save under LVT. In most cases the information is welcomed, but there is a big problem. Money. With all expenditures trimmed to the bone, at

least \$250 a month is needed to keep the program going. Newspaper advertisements should appear regularly to back up the personal calls. A few spots on TV would also be useful.

These ELTA people have carried a very hard fight through the initial stages. Nobody thought it would be easy. It would be a heartbreak to stop with success so near.

Just as a town in England found itself famous because a startling LVT survey was made there, so Erie may be the U.S. city to gain international fame as the proving ground for initiating LVT here. Most homeowners don't know how much they would benefit, and well-entrenched "specialists" hope they never find out.

How many readers will quickly pledge \$5 a month for one year to the Erie Land Tax Association, 2217 Peninsula Drive, Erie, Pennsylvania? Lesser amounts are welcome too. And why not add a word of encouragement when you send your check. Georgism needs your money, but it also needs your faith.

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Russel Conklin, former director of the Henry George School in Great Falls, Montana, has been elected to the office of County Auditor. He was mayor of Great Falls a few years ago, and later representative to the Montana State Legislature. Mr. Conklin is an attorney and certified public accountant by profession.

The Henry George School in the News

DETROIT now publishes a newsletter and a recent issue contained the names of all students enrolled in classes this term, also the names of the teachers: director Robert Benton, Melvin C. Bergen, Edmund J. Darson, Leonard Huckabone and Harold Tappert. With characteristic enthusiasm the Detroit group, in the midst of its successful fall term, is supplying volunteers with class announcements to be mailed out for the next one in January.

LOS ANGELES is rocking merrily with winter season activities. Basic (long) courses have begun at headquarters at a cost of \$8.50 with the director, Harry Pollard, in charge; and there is also one at Long Beach. An innovation is the weekly Open End discussion of current events moderated by Mr. Pollard, which will be recorded for later broadcast. This group meets on Wednesdays at Van Nuys in the San Fernando Valley.

Robert Tideman, Northern California Director of the Henry George School in San Francisco, was the speaker at an annual dinner on November 6th and spoke on the provocative subject, "Taxes — Can They Ever Be Just?"

PORTLAND'S mayor, Terry D. Schruk, is a member of the Board of Trustees of the U.S. Conference of Mayors, which authorized a staff study on LVT following the resolution introduced by James Clarkson, Mayor of Southfield, Michigan, at the conference in New York last summer. The Mayor "suspects that there will be considerable discussion on this matter before the 1965 session of the Oregon State Legislature." This was announced in the Taxpayers Digest of which the Portland extension director, Erick S. Hansch is business manager.

NEW YORK has an active Speakers Bureau directed by Peter Patsakos. Mr. Patsakos spoke to a student forum at Bayside High School recently on "Slums—Their Cause and Cure." Other speakers are: Wayne Berry, Jay Beyersdorf, Elbert Dennis, Mrs. Doris Hoxie, William Jocher, Oscar Johannsen, Daniel Dryston and Paul Nix, Jr., who will address the Economics Society of City College on the subject of world trade. A Junior High School in Brooklyn has requested a week-long series of engagements in January with speakers who will discuss automation.

The Spanish group now constitutes the largest foreign language section and the Spanish office has been moved to the fifth floor at New York headquarters where William Camargo is in charge of Spanish classes and courses by correspondence. The French, Italian and German language work is still being processed in room 33 by Matthew Ossias. A new course, in Hebrew, is about to be launched.

SOUTH AMERICA has two new extensions. Hernán Sanín-Vermont, who graduated from the Spanish classes at New York headquarters and taught Spanish classes there, will teach classes in his home city, Cali, Colombia. Professor Alfonso Loaiza-Grunauer studied under Dr. Rios in Puerto Rico and will open a branch in Guayaquil, Ecuador.

AFRICA'S first extension, the Center for Economic Inquiry, has been established as part of the New Era College, of which V. B. Sharma is principal. Henry George classes are being offered there under direction of Kul B. Sharma whose appeal at the international conference initiated this activity.

(Continued from page one)
forward reasoning and logic into avenues of civic importance.

Robert Clancy, New York director, promises good stewardship on the part of the school and says your 'talents' will be put to profitable use, performing good deeds. He would remind you that your contribution will make you a partner in education and a member of the school. What kind of a member? A folder with details of the privileges and benefits and the ways in which your contribution may be used, will be sent gladly on request.

Associate, Affiliate and Active members pay annual dues of \$1-\$4, \$5-\$9, and \$10-\$25 respectively. Contributing, Supporting and Sustaining members pay \$25-\$49, \$50-\$99 and \$100-\$499 respectively.

The Patrons, at \$500 and up, constitute the highest category, and receive reports, books and an impressive array of magazines, including HGN and the American Journal of Economics and Sociology published by the Robert Schalkenbach Foundation. Formerly patrons paid \$1,000 a year for these privileges. Their contributions are vital for the support of the branches in other cities and countries.

Your membership is tax deductible. This can be a useful factor in drawing one's will with a bequest for this important work. Let us welcome you as a new member or as one desiring to move up higher.

Keep the Henry George School, 50 East 69th Street, New York, N.Y. 10021, a vital part of your life.

Literature Old and New

The new and third edition of *A Seed Was Sown* by Robert Clancy (about Oscar Geiger, founder of the Henry George School) is just off the press, former editions having been exhausted. It is still only \$1. A Spanish edition, *Se Ha Sembrado Una Semilla*, is also popular at \$1.

American Ideals by Heman Chase, quickly sold out in its first edition, has been revised and expanded and is now ready at \$1.

"Wide Economic Expansion Now a Must," is the title of an attractive pamphlet by William E. Clement, offering a solution to the land question and quoting the views of several great men on the subject. Specially priced at 35c or three for \$1.

The two unabridged conference talks most often requested are available in one pamphlet at 10c or twelve for \$1. They are "The Paradoxes of George" by Clyde E. Reeves and "The Georgist Philosophy Today," by P. I. Prentice. Both were much enjoyed by their audiences in Philadelphia and New York.

The conference papers, as prepared by the International Union in London, include 10 full and impressive reports of LVT progress in the U.S., Canada, Great Britain, Denmark, Germany, Austria and New Zealand. The whole set can be yours for \$1.

A bonus, *Enclaves of Economic Rent*, is offered with a \$5 purchase. Order from the Henry George School, 50 East 69th St., N. Y., N. Y. 10021.

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