

the Henry George News

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Winston Churchill

WITH the passing of Sir Winston Churchill, one of the few remaining great men of our era has left us. Georgists have a particular reason for remembering him.

Henry George left a deep impression in England, and his influence was felt when the Liberal party adopted land value taxation and free trade in its platform. Swept to victory in 1907, the Liberal party formed a brilliant government led by Lloyd George, Churchill, Campbell-Bannerman and Lord Asquith. A budget was prepared in 1909 which called for the valuation of all land for taxation in the United Kingdom — an unprecedented step since the days of William the Conqueror.

Churchill campaigned up and down the country for the proposal, and put to work his well-known eloquence on behalf of land value taxation. In an address at the Drury Lane Theater he said: "We have to face all the resources of a great monopoly, so ancient that it has become almost venerable. We have against us all the modern money power... There are only two ways in which people can acquire wealth. There is production and there is plunder. Production is always beneficial. Plunder is always pernicious, and its proceeds are either monopolized by a few or consumed in the mere struggle for possession... The

present land system hampers, hobbles and restricts industry..."

Unfortunately, the proposal was buried in an avalanche of history — opposition by the Lords, World War I, and the shifting sands of politics. By the 1920's, Churchill was in the Conservative camp, and seemed to have forgotten all about land value taxation and free trade.

Perhaps he had not completely forgotten. Years later he was reminded that he used to sing the Land Song, and he is said to have replied, "show me a crowd and I shall sing it again." After all, he was a politician, and politicians can't do very well without popular support.

Churchill will be most remembered for rallying his country against the Nazis. There is a legend that King Arthur, who fought the Saxon invaders, did not die at his last battle but was carried in a deep sleep to Avalon, and that he would awaken to save his country when it needed him. We need look no further than Winston Churchill for the fulfillment of this prophecy.

Alas that Churchill could not also have been the one to strike the blow for true economic salvation! Other heroes are needed to awaken to this task.

(A pamphlet containing speeches of Churchill on the 1909-10 budget will shortly be reissued by the Robert Schalkenbach Foundation. The publication will be announced.)

A Word With You

A FEW bands of delinquents roam the streets, crack a few skulls and steal a few purses. This is enough to change the entire living patterns of a city.

People become wary of going out at night. This affects theaters, restaurants, hotels, transportation. People change their residence from here to there, and from there to somewhere else. The entire map gets changed.

It might be interesting to say to one of these hoodlums: "You thought you were unimportant; you only wanted a thrill, or a few bucks for marijuana — but see how influential you are? You are causing big changes. You may not be able to write your name, but you are writing a page of history." Would it matter to him?

And would any history be changed if people could see the consequences of their deeds? About 300 years ago, some clever persons thought it would be a bright idea to go fetch some Negroes from Africa as slaves and so bask in comfort in the New World. If the next 300 years were unrolled before them, might they have changed their minds? If they could see the growing tensions, a nation rent by civil war, the decline of an economy dependent on slavery, a continuing struggle, and all sorts of ugly incidents — would they have stopped? Or would they have said, "I've got mine here and now; let the future worry about itself"?

The trouble is that individuals don't always reap as individuals the results of their social misdeeds. But the results do come and often have far reaching repercussions. The robber barons may die contented, but the next generation castigates them, passes new laws, and their descendants spend their ill-gotten gains philanthropically on the people whom they despised.

Man is a social animal, and it is only human to want to leave a good name behind. At the end of their wasted lives, many find out too late that this is really what they wanted and cannot now have. And so a diligent propagation of the Law of Consequences might not be entirely in vain.

Of course the law also works, even more satisfactorily, for good deeds. Bronson Cowan relates how, when he was in Australia studying land value taxation, he reported his findings to a group of Georgists there — some of them old-timers who had worked to get the tax in effect. Mr. Cowan told them about the current workings of the system, with which all present were not familiar, when one old-timer cried out rapturously, "We builded better than we knew!"

Even though "we do not see it all" (as Henry George put it), we may know as surely as though the scene were unfolded before us, that what we do now is what the future will hold.

—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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Painting Government Into a Corner

by EDMUND A. OPITZ

WE use the term "public sector" to denote the sphere in which government operates, in contrast to the nonpolitical "private sector." There is a tendency in the first to expand, and as it does so the latter shrinks. On the other hand, when political power is limited the private sector automatically expands, making more people freer in more departments of their lives. A free society may be defined as one whose government is properly limited.

Political power cannot be contained except by a force more powerful than itself. Where is such a force to be found? In one place only, in men's minds.

Looking back over history we note several major concerns which have, in every age, engaged the hearts and minds of men. These divide society into seven sectors. One is government. The other six include religion, ethics, education, art, voluntary associations and economics.

One important principle on which most Americans agree is the separation of church and state. We take this for granted, hardly realizing how unique it is. This principle is frequently confused with something that sounds a little like it but is altogether different—the separation of religion from society. Jefferson, who wrote, "The God who gave us life gave us liberty at the same time," did not favor a nonreligious, secular society. He favored government neutrality toward the churches, believing that under these conditions religion could play its proper role.

Political theory in our tradition is based on the assumption that men must be free because each person has a destiny beyond society which he can

work out only under conditions of liberty. The spiritual underpinnings of our institutions have suffered erosion, and we careen toward the pre-Christian idea of the state as the universal caretaker promising to feed, clothe, house, train and guide its minions. By its very label, the Welfare State advertises its self-assumed benevolence; and by the same token it cloaks the power inherent in all political action. So successful is the disguise that it has even generated a specious religious support.

As our religious values have eroded there has been a decline of standards in ethics and a worsening of conduct. The figures on crime increase tell part of the story. As moral standards decline some people seek to correct the situation by passing laws to control behavior. But people cannot be made good by law; laws to make people good only result in making them less free.

Education is no more a necessary function of government than religion. Once we had public churches and private schools; now we have public schools and private churches. It is one function of the educator to be the gadfly of the state, but he cannot be much of a gadfly if he is on the state's payroll. When the state begins its bid for total power it must at some stage seize control of the educational system. Where there is a breakdown in the culture there is a contest to determine what values and what information will be imparted to the young, and by whom. This gives the state an opening wedge for starting a vast conditioning process. Despite assurances, government subsidy must lead to control, and control means nationalized education—a contradiction in terms.

Art disposes men to a better sense of the human condition, and thus may have far reaching political significance. For this reason it must not be under political control. We don't want an official art any more than we want an official religion. The real artist is necessarily a free spirit. Art associations and other voluntary groups draw together to share a common interest. A church is a voluntary association; so is a factory. The world-wide Georgist movement, including the school, presents a magnificent accomplishment in the realm of voluntary associations. The totalitarian state seeks to destroy all lesser loyalties within it, but in a free society voluntary associations of all sorts flourish.

The economic sector is the realm of business, industry and trade. This critical area is the prime target of those who prefer collectivism to a free society. Nearly everyone devoutly proclaims his dedication to free enterprise and the free market while simultaneously calling for more subsidies and regulations. Freedom cannot be won or retained on economic grounds alone, but it can be and is being lost there. Every collectivist ideology—from the Welfare State to totalitarian communism—is strung on a framework of economic error. People are prisoners of their beliefs, and so long as they cherish a wrong understanding of economics they will be appealed to by one form of collectivism or another.

Freedom is all of a piece, and economic freedom—within the proper moral and legal framework—is fundamental to the free society. Do we believe in religious liberty? Then unless there is private ownership of houses of worship, and private means for paying salaries, printing books and holding meetings, religion cannot be free. Do we believe in a free press? But if newsprint is a government monopoly and all printing presses are government owned, how can news-

This article is condensed from an address at the Henry George School in New York on January 22nd by Edmund A. Opitz, a senior staff member of the Foundation for Economic Education at Irvington-on-Hudson, New York, and book review editor of *The Freeman*. He is the author of two books: *The Powers That Be* and *The Kingdom Without God*, and has contributed articles and reviews widely to various publications. His activity as coordinator of *The Remnant*, a nationwide fellowship of ministers, predominately conservative or libertarian in their political and economic outlook, bespeaks his admiration for Albert Jay Nock. He helped found the Nockian Society, which operates out of his office.

In the *National Review* of January 12th Rev. Opitz reviewed Nock's *The Memoirs of a Superfluous Man*, illustrating the man's non-intrusive stance with this anecdote:

"Leonard Read went through *Our Enemy, the State* in the mid-thirties, and then wrote Nock to tell him how much he liked it. 'But how can you advocate the Single Tax?' Read asked. 'I don't advocate the Single Tax,' AJN replied; 'I merely believe in it!'"

papers be free? It is possible to have a Daily Worker in a capitalist country, but a Daily Capitalist in a communist country is inconceivable! Do we endorse academic freedom? But if government owns the schools and appoints the teachers—freedom vanishes.

The state is a pincer movement. One of its prongs consists of those who hold office and wield political power; the other consists of the private persons and pressure groups who obtain economic advantage by this wrongful exercise of power. The target of the pincer movement is the productive part of the nation, which plays the role of host for the double-barrelled parasite. This predatory action by the state—to use the term in Albert Jay Nock's sense—is utterly different from the governmental action of apprehending a criminal. The distinction is between aggressive action

in the first case, and defensive action in the second. The restoration of freedom demands that we be clear about this distinction, but it will require every bit of ingenuity and determination we possess. Moreover we are right in the middle of the picture.

Not many of our fellow Americans favor a dictatorship, but many do favor the adoption of practices which will eventually lead to authoritarian rules. The Welfare State promises that government, which is society's power structure, after using its power to divest citizens of a portion of their earnings, via taxation, will dispense the riches thus accumulated at the

bidding of the powerless; but this is a delusion. The poor and weak in our society employ no lobbyists, and the Welfare State spends its billions at the behest of its upper bracket favorites.

A free society will emerge only when men and women really desire to be free. They will then devise machinery for painting the government into a corner by preventing it from taking money from one segment in order to subsidize other segments. It will be kept out of private affairs and will administer justice—preserving the peace by acting to curb those who disturb the peace.



Urquhart Adams of Peace River, Canada, whiles away many fruitful hours reading the classics as well as current literature. He passes along this statement by Macaulay: "From the time of Ethelred the Unready until the American Revolutionary War, practically the whole of England's revenue was derived from taxes on the rental value of land. From that tax we now (1858) take less than one-fiftieth part."

Mr. Adams sees in this a warning that history will revert to the age-old pattern of oppression of the many by the few; and these few, using the weapon of land monopoly, will gain more and more control and force compliance to their dictates. Force will generate counter-force and a return to the barbarism of the Middle Ages when millions were burned at the stake for non-conformance. Free political institutions can continue only if there is economic freedom such as land value taxation would afford.

In a more contemporary vein Mr. Adams quotes and takes issue with Lord Keynes who said, "usury and avarice and precautions must be our gods for a little while longer still, for only they can lead us out of the tunnel of necessity into daylight."

To this he replies, the noble lord advises us not only to accept vice as a guide to conduct, but to bow down and worship it. Avarice is a vice synonymous with covetousness—one of the "seven deadly sins"—and usury has always been condemned as unrighteous. History records a long struggle between the forces of good and evil, and until Lord Keynes published his credo, it was understood that good was better than evil, virtue better than vice and freedom better than slavery.

Not all men have accepted that view. There have always been those who preferred vice and crime to virtue. In our generation we have seen one of the world's most advanced nations taken over by a gang of thieves and murderers, with the consent of the great majority of its citizens, and in the belief that, as Lord Keynes puts it, this gang would lead them into daylight. What a difference between his philosophy and that of Henry George who advocated mutual helpfulness, cooperation, justice and fair play to "lead us into daylight" and enable us to reach higher levels of civilization—perhaps even to insure our survival in this nuclear age.

Sydney Mayers

VIEWS THE NEWS

Manufacturers of hardware, metal goods and men's wear have indicated that, due to higher costs of raw materials, wholesale prices of their products must be raised; yet purchasing agents report that no such price rises have been announced, attributing this to the fact that "competition keeps most suppliers in check." Here is further evidence that when sellers have to compete for buyers, the marketplace is the only area where supply and demand can meet—and nowhere else can "value" be determined.

* * * * *

A news item discloses that among "scientists" employed in business and industry, the top earners nowadays are economists, whose mean annual salary exceeds those paid to physicists, biologists, psychologists and sociologists. We are indeed happy to note that "the dismal science" has become an affluent field of endeavor—but, having looked askance at some of their pronouncements, we cannot help viewing with some alarm the quality of the "science" most of these "economists" preach and practice.

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While the population of the United States grew 18 per cent last year, compared to 1963, the number of relief recipients rose 42 per cent in the same period, *The Wall Street Journal* wryly observing that "as the so-called Great Society dawns, the nation's lamented welfare mess is rapidly getting messier." It seems another case of "the more it changes, the more it remains the same"—just replace "growing welfare relief amid the great society" (1965) with "increasing poverty in the midst of progress" (1879).

Under a pact entered into by the United States and Canada, all tariffs on motor cars, trucks and original-equipment parts shipped by either country to the other are to be eliminated, constituting a "free trade" arrangement as to such products, which account for 10 per cent of all trade between these nations. We fervently trust the pact's benefits will soon become evident, so that it may be extended to include other (hopefully all?) commodities.

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Most major distributors of theatrical motion pictures lost money in 1963, but last year's operations put them back "in the black"—thanks to long lines of cinema-goers who avidly bought tickets for everything from sexy "Goldfinger" to demure "Mary Poppins." It is worth observing that the movie theatres' success in 1964 coincided with considerable public apathy toward the TV programs offered—demonstrating anew that, economically speaking, the man who pays the piper calls the tune.

* * * * *

One subject politely but firmly discussed during the visit of Japan's Prime Minister to Washington was Tokyo's willingness to trade with Red China, North Korea and the Viet Cong, Mr. Sato making it clear that, while he regretted Uncle Sam's displeasure, he did not propose to let Britain and France rock his country's economic boat by ignoring the Bamboo Curtain in a quest for business. In insisting on a bit of sauce for the gander, our Japanese cousins show themselves to be not only clever, but pretty logical, too!

HENRY GEORGE NEWS

The Dream House

by JOSEPH S. THOMPSON

GRACE, did you get a receipt for your contribution to the Red Cross?

No, I'm afraid not.

Well, your check will do.

But I didn't write a check, I paid in cash.

Hm, then we can't deduct it. I'd hate to ask for a receipt at this late date.

Won't the government take your word for it?

No, in the eyes of my country I am a lying chisler. I hope though that our baby will be born before the year ends, she can save us \$100.

Are you working on your income tax?

Yes, and the government is going to fine me for working — to the tune of \$1880. If it wasn't for the tax system, instead of paying rent in this apartment you and I would be preparing a nice little home for the baby, with plenty of space around it.

But that wouldn't buy us a home.

Let's see if it would. We'll call the tax one thousand, for convenience. We pay another four hundred in state and city, and thirty-six hundred a year for rent. That's five thousand out of my twelve, leaving us seven. I don't have to tell you where that goes — with our living costs, insurance and so forth. Oh, we save some — very little though.

But we have to pay the rent and the taxes, so why talk of the—what was it, the five thousand dollars?

Sure we do. That's why I'm making out this report. But suppose we kept the five and got a nice location and started to build—

On five thousand dollars? Why you couldn't get the land for five times that.

Not at present. But just for fun let's suppose we didn't have to buy a location—just rent one.

Build on a lot we didn't own?

It's done all the time. You've heard of ninety-nine year leases. Only instead of leasing from someone, we'd pay the land rent.

I don't understand what you mean.

Well, they're holding the kind of land we'd want at twelve thousand an acre—holding it idle and paying trivial taxes which they can deduct from their income. But suppose our public officials got some sense and said, "How about twelve thousand an acre? At five per cent that works out at six hundred a year in taxes, plus the tax on it that you're paying now."

You mean if a landlord had ten acres he'd have to pay six thousand dollars in taxes each year?

Well, if it was worth one hundred and twenty thousand dollars, that seems reasonable. Many a business borrows that much at that rate, and is glad of the chance.

But the land might not be paying him anything! A business man would use the money to make money, as you often say, and his land might be idle.

It would be very expensive to hold it. Yes.

You mean he'd have to sell?

Or use it. He'd be wisely prudent if he sold, though I don't see him getting any twelve thousand an acre—fact is, if he held it too long he'd get next to nothing for it.

Why?

Because everyone else with idle land would be selling if the government taxed it up to full value. It'd all come down to its rentable value and there'd be no point in holding it if the tax kept right up with the rent.

Why not? Couldn't he raise his rent?

The rent is fixed by what people will pay. If renters were willing to pay more, suppose the tax collector just taxed him that much more. There'd be no point in holding land.

He'd sell?

Yes, for whatever he could get, the quicker the better.

And you mean we could buy cheaper?

I mean more than that.

Well, I'm getting tired of thinking, but what more do you mean?

I mean that under those conditions we could get a home site without paying out any capital, by just assuming the ground rent and using our capital for building.

And not own the land?

Sure, like these ninety-nine year leases, and again, if our government was smart, we wouldn't be fined for building.

Fined?

I said fined but I meant taxed—it's the same thing. . . .

No tax on the house?

Exactly. When you put your car at a parking meter you don't pay more for a big limousine than you do for a jallopy. So if you pay the government for the space why should it cost you more—the better the house you built there?

But with our money, the house would cost too much anyway.

Suppose the land, oil, hard minerals, forests and water brought the government all the income it needed and there was no tax on building material, contractor's equipment, worker's wages and my pay, a house could be quite inexpensive.

I think you're talking nonsense.

You're not alone in your opinion. That's why we'll stay right on in this little apartment.

Oh goodnight, I'm going to bed.

A new voice at the Vancouver City Hall is that of a consulting town planner, Robert Williams, partner of Mary Rawson. His election to the City Council was a surprise. He handled his own campaign at a cost of \$850, and flooded the city with homemade signs which he and his friends made in a basement, at a cost of about \$100.

New surprises will come along for council members when they discover that he favors taxation of land values with a total exemption on improvements to encourage property owners to beautify their homes. He is not popular with the real estate people, and ran into opposition when he moved to rezone large tracts of undeveloped land from residential back to agriculture. He is soft-spoken but destined to jolt his colleagues often during the next two years. He has a plan for downtown redevelopment and other issues which differ from the council's majority opinion.

Lawrence Rathbun of Concord, New Hampshire, reports that his city has announced it will go on a 100 per cent property valuation, "which is a step in the right direction and follows the constitutional requirement. Forest land is more nearly at 100 per cent than other land even now."

News from Ivan Dailey of Cleveland, Ohio, is that County Auditor Ralph Perk has been set back in his efforts to get higher assessments on industrial and commercial property (which would have meant higher assessments on vacant land, too). The Ohio Board of Tax Appeals has ruled that these higher assessments must be reduced to the same level as residential property. This leaves Cleveland with a tax shortage of \$3.2 million, which some propose to make up with a city income tax. Perk is now requesting a one year stay on the board's order.

HENRY GEORGE NEWS

To Market, To Market...

by SYDNEY MAYERS

DEVOTEES of Henry George's economic philosophy, which proposes unfettered exchange among those who produce goods and render services, are prone to assert that there exists no such thing as a free market. There is ample justification for such a statement. In a country (and a world) where taxes on production, privately collected rent, tariffs, monopolies and repressive laws prevail, the barriers to free economic exchange are painfully evident. In this sense, a truly free market is clearly lacking.

Yet, from another viewpoint, one can readily observe numerous examples of a free market, notwithstanding that its sphere may be isolated and its scope limited. For instance, that popular mart described as "black," "grey" or "under-the-table" consistently appears whenever willing buyers and eager sellers are faced with overly severe deterrents to trade. In the economic connotation of the word, this type of market is certainly "free," however difficult or illegal it may be.

The fact that even fear of governmental reprisal fails to restrain supply from satisfying demand is a noteworthy demonstration of the powerful urge to trade which is inherent in man. This urge, of course, derives from what George calls the basic principle of human action: that man seeks to satisfy his desires with the least exertion. Man will trade, no matter what; and he will find a way to do so, despite obstacles and consequences.

Another area in which a free market of a sort is to be found is that where a choice may be made. If she

deems the charge for beef excessive, the astute housewife purchases lower-priced meats — and soon down comes the cost of the bovine variety. A manufacturer who finds steel too expensive for use in his product promptly turns to another suitable metal — and ere long the price of steel falls. The buyer's selection of acceptable products or services strongly influences their exchange value, and, insofar as such choice can be exercised, it tends to maintain market equilibrium. The free expression of the trader's desire to buy or sell, to the extent that it is effective, establishes market levels.

As long as there is some active competition among suppliers to meet economic demands, a (relatively) "free" market will obtain. Even in the USSR this phenomenon has brought about a tremendous change in retailing policies. There, intriguingly, buyers made their strength felt not by choosing certain goods and refusing others (there was no opportunity for such a choice), but by boycotting everything offered, and buying nothing at all! Quickly the Soviet authorities improved the quality and appeal of its wares, in order to entice the comrades' rubles into the state's cash registers.

Admittedly, under the restriction-ridden economic system the world knows today, at best only a *quasi* free market can be enjoyed. But, even so, wherever it can profitably operate, there will always be some kind of free market, where the higgling of buyers and sellers results in mutually beneficial trade.

When Lancaster M. Greene, a New York investment counselor, and vice president of the Henry George School, was interviewed on WOR's Faye Henle program recently, his remarks about the school brought many inquiries.

Noah D. Alper's Brief Cases

NO PARKING METERS!

The St. Louis Housing Authority has apparently for four years considered buying up and tearing down a "going" laundry to provide half an acre of parking space for 69 cars, at an eventual cost of \$16,500 per car space. The GAO suggested this amount of money might better be spent on 40 additional housing units, since \$16,500 per car space was a bit steep, and the parking lot was perhaps not necessary.

This routine transaction was brought to light in the St. Louis Globe-Democrat where it was noted that the tab would be picked up by the federal treasury, which, after all, means that it comes from the pockets of taxpayers.

With parking space so scarce here there may be a push to open a new frontier on the moon, where, at present costs, the price per parking space would be only a few billions of dollars, also payable by the federal treasury, alias the taxpayers.

"BETTER SHAPE UP"

"There has been far too little creative thinking about taxes below the federal level," states a Life editorial entitled, "State Government Better Shape Up." It is a hopeful straw in the wind when increasing references are found to land value taxation's function in the restructuring of the community. "The property tax system, financial pillar of local government," states the editorial, "is a notorious boondoggle; under-assessment of land not only allows revenue to slither away, but wrecks havoc with land use planning."

"Since the (Toronto) subway was built the neighborhood around the station has experienced a small construction boom and land values have skyrocketed. A 100 square foot plot purchased in 1947 for \$22,000 sold 10 years later for \$257,000." Any comment?

TAX LAWS AND FINE ARCHITECTURE

In an interview for the U. S. News and World Report, the famed architect Edward Durell Stone was asked if he thought tax laws could be revised so as to reward beautiful architecture.

"Yes," he said. "As matters now stand, putting more money into beautiful design merely raises the valuation and the tax bill. This has to be changed. And I think also that buildings with aesthetic merit which are clearly obsolete should get tax relief to encourage renovation instead of demolition. The tax bill should be tempered when money is spent modernizing a fine building."

COMMUNISTS BLAME THE LANDLORDS

In a report from "Inside the Viet Cong" Stanley Karnow noted in a St. Louis Post-Dispatch series, that in the flooded plain of Reeds near the Cambodian border, few of the 6,000 inhabitants had pro-communist sympathies, but nearly all were indebted to absentee landlords and therefore had a grievance.

"The peasants merely wanted their rents reduced," he wrote. "Beyond that they asked to be left alone. But the communist agents' goal was to turn that elementary feeling into a political dynamic. Thus they preached that only revolution would solve the land problem. As long as the government existed, they contended that landlordism would come to 'collect rents, levy taxes and draft young men into the army.'"

It sounds like the old story of land monopoly. The solution is not to be found in overturning governments but in collecting for public use the earned rent of land which exists by reason of labor and the provision of capital.

Foxhall A. Parker's Thoughts on Money

"ALL of our currency should be issued against the total natural resources of our nation and the taxing power of the government. We do not necessarily need a metal monetary basis in the concrete for our currency system." This was the basic contention of Foxhill A. Parker in his speech at the recent Henry George International Conference.

His suggestion is reminiscent of the currency issued during the French Revolution. Andrew D. White in his classic, "Fiat Money Inflation in France" points out that in April, 1790 the French government issued four hundred million livres in paper money based on confiscated property of the church as its security. This property represented between one-fourth and one-third of the real property of the nation and amounted in value to at least two thousand million livres. Therefore, it was argued that this land provided a solid basis for the currency as the paper-money amounted to a "mortgage on productive real estate of vastly greater value than the issue."

The French expected to print only the original amount but within five months of its issue demands were made for more paper money, and in September, 1790 the government authorized the issuance of an additional eight hundred million new assignats. Within six years the revolutionary government of France had issued forty-five thousand millions of francs, the purchasing power of which was practically nothing.

Mr. Parker is well aware that governments have issued currency which has greatly depreciated, but he believes this has been due to some provision such "as that it wasn't good and payable on the public debt." He feels

that under his proposal "the currency could never be inflated or deflated unless issued far in excess of production and consumption at the time."

The French assignats were used not only to pay off the public debt but provided the means for the government to pay for goods and services it purchased and, therefore, were issued in astronomical amounts.

Mr. Parker points out that "the change-over from the gold standard to a 'managed' currency (public debt currency) has been accomplished bit by bit without the general public being aware of any difference." He believes that to "issue our currency directly by the government against the wealth, the credit and taxing powers of the government" would mean "such a currency so issued is not only backed by gold and silver but all the metals (in the abstract) and all the natural opportunities including atomic energy."

He does not believe that this is a fiat currency although he recognizes that some people might term it so. Were Mr. White alive he probably would be one of those disagreeing with Mr. Parker for Mr. White was not impressed with the argument of one of the members of the French national committee. This revolutionary had proclaimed "the earth is the source of value; you cannot distribute the earth in a circulating value, but this paper becomes representative of that value, and it is evident that the creditors of the nation will not be injured by taking it." Instead, White believed in the dictum which Mirabeau, the hero of the French revolution, had stated in 1789 that paper money is "a nursery of tyranny, corruption and delusion; a veritable debauch of authority in delirium."

—O. B. Johannsen

The Henry George School in the News

SAN FRANCISCO held a one-day Teachers Institute in January to which students were invited on recommendation of their class leader or branch president because of their understanding of fundamental economics and "ability to present this clearly and courteously." The purpose of the institute was to develop more fluency in discussion. Leonard Vidger, Professor of Business at San Francisco State College; Robert Tideman, Executive Secretary of the Henry George School; and others, were present to coach those who accepted the invitation. *Progress and Poverty* was a required text.

LOS ANGELES reports a year of steady growth with attention directed to internal reorganization and rehabilitation of headquarters. More than 400 visitors were attracted to the building at 577 North Vermont Avenue during the year, many of whom made their first contact with the philosophy of Henry George; and more than 1200 Southern Californians were exposed to the school's point of view through the speakers bureau. "We built the launching-pad in 1964 — the count-down begins in 1965," said Director Harry Pollard, who is conducting a class in "Everywoman's Village" in Van Nuys, for "libertarians with specific understanding of objectivism and liberalism."

ST. LOUIS is rallying under its new director, Loral D. Swofford, and has taken off with a winter term composed of three city and three county classes in Fundamental Economics, one of which has an enrollment of fifty. An advanced class is being offered in Berwyn near St. Louis.

The 25th anniversary of this extension received wide publicity in the local press. It was observed formally

at Christ Church Cathedral with an enthusiastic attendance despite the bad weather. Dr. Robert V. Andelson, of Natchitoches, Louisiana, stressed perseverance as a motto. Loral Swofford, the new director who succeeds Noah D. Alper, has been active in a Baptist mission church. He is a graduate of Southeast Missouri State College in Cape Girardeau, and has been employed with the Universal Match Company for some twenty years. His enthusiasm for the work of the school is boundless.

NEW YORK welcomes as a part time worker on the staff, Charles F. Leonard of California who is studying medicine at Medical Center. He succeeds Gilbert Herman as chairman of the research Committee on Land Taxation (COLT). The phase relating to land value assessments is now being completed. Mr. Leonard spoke at the international conference last summer on "The Nature of Capital and Causes of Interest" (available in booklet form).

The winter term at headquarters has begun with an enrollment considerably larger than last fall. In an extending radius, Paul Nix, Jr. and Bruno Eichert are teaching advanced classes in Berkeley, New Jersey and Jackson Heights, Long Island, respectively. William Buhr has completed a class in Ramsey, New Jersey.

Fridays-at-Eight will feature on February 5th a panel discussion of "The Problem of Prejudice" with Sydney Mayers as chairman. Philip Rubin, Gaspar Delgado and Elbert Dennis will participate. On February 19th H. Jan Ritscher, vice president of Volkswagen of America, will speak on "Rudolf Steiner and Henry George." Lancaster M. Greene will preside. Film programs will be enjoyed on February 12th and 26th, at eight p.m.

"Moment of Truth"

ALEX J. Duris of Hendersonville, North Carolina has started a weekly series of articles in the Western Carolina Tribune. In the first on January 7th he revealed a "Moment of Truth for Downtown Hendersonville." A certain threat has been hovering over the central business core for several years, he says. It is only recently that the point of no return has loomed on the horizon, with each day bringing it closer. More than 20 downtown business locations are idle and clearly things are not as they should be. Old buildings along the main street look like specters of the past, despite feeble efforts to glamorize them.

It is gradually becoming apparent, he states, that the gray areas in Hendersonville and other cities, have been caused by wrong taxation. People have been "fined and penalized" for attempting to improve their property, create jobs or beautify the premises in any way. Tax gathering agencies could hardly wait for the contractor to turn the keys over to the owner in order to descend on the unfortunate enterpriser to "fine him with taxes for his new building or factory."

Meanwhile, the lot across the street might be empty or filled with cans, bottles, paper cups, discarded tires and a profusion of weeds. Its owner might protest to the tax collector that the lot is producing no revenue and he needs to have his valuation lowered—naturally he doesn't want to pay high taxes on an idle eye sore.

The good hearted tax collector, thinking it over, agrees that he has a point and acts accordingly. Little does he realize that he is "contributing to a vicious cycle in which the thrifty and energetic are penalized for their

efforts to improve the lot of their fellow men, while the shirker is rewarded for cluttering up the landscape."

Let somebody come along, however, and look at the weed and trash filled lot with the idea of building there, and the value of the lot may suddenly leap from \$1,000 to \$5,000 or more.

This is more than the prospective improver can pay, so he abandons the hope of developing the lot, or moves further out to a cheaper but less desirable location. The owner of the idle land has failed to make a sale and the prospective builder has to be satisfied with something less than adequate, so neither benefits properly. The lot holder hopes as long as realty values increase that he can make a "killing," but when prices level off and eventually decline, he is left with his weed filled lot because the new builders have found cheaper land in an outlying section.

And those who remain in the declining downtown area are increasingly hard pressed, as well as depressed. Under present tax policies, if they attempt to upgrade the area and salvage it for the community they will be visited by the ubiquitous tax collectors who always penalize them for daring to try to improve the appearance of their homes or businesses.

Some owners would indeed like to enlarge or modernize their properties but the threatened tax increases frighten them off. Is there any hope for them or for others who would like to rebuild or beautify the decaying section? Yes, there is a hope (and here he keeps his readers cliff-hanging until the next installment).

In a long two-column letter to the Calvert Independent, Robert E. Allen, Jr. of Huntington, Maryland, presented the following counter proposal following an exchange of letters to the editor by other writers who urged civic reform:

"The socially created increments in land value can be used in two ways. (1) They can be used to further enrich an already affluent propertied minority, or (2) they can be used to expand the consumer buying power of a large proportion of the population by paying for the construction of public works and for public services. With each increment in population, there is a corresponding increment in socially created land values. This socially created income provides a completely natural source of public income to use in paying for public goods and services — schools, parks, police and fire protection, administrative expenses, and so on.

"In particular, I would use this income to pay for public services to three groups that are not part of the working force — youth, the aged, and the disabled. The needs of these people are growing in volume as the period of education extends over more years and as the span of life lengthens. Financing schools, hospitals, park, playgrounds, and basic scientific research out of socially created land values would not only meet these needs but would provide employment, and hence buying power, for millions of trained workers—teachers, doctors, nurses, superintendents, managers, scientists and others.

"This double benefit could be financed as I have outlined without burdening the economy or increasing the prices that consumers pay for anything. I would tax only the land, not the improvements on it, for they are not socially but privately created values, and the productive use of land is to be encouraged."

FRINGE BENEFITS FOR MEMBERS

A new brochure describing the Henry George Birthplace in Philadelphia is being sent to Affiliate members of the school. This is available free on request from The Henry George News, 50 East 69th Street, New York, N. Y. 10021.

Judge John R. Fuchs of New Braunfels, Texas, was interviewed recently by the San Antonio Express, and made clear his stand on land and taxation. "The right to the land is one of man's inalienable rights," he said, and he castigated our tax system for making no distinction between land and the fruits of man's labor. Judge Fuchs has campaigned half a century for land value taxation. This interview is being reprinted and is also available on request from The Henry George News. Affiliate members (contributing dues of \$5 a year) receive this and other interesting reprints automatically.

Two changes in the neighborhood of the Henry George School in New York leave things pretty much as they were, at least to outer appearances. The former Soviet U. N. Mission building (our former "backyard neighbor") at Park Avenue and 68th Street, had been bought by a builder and was to have been demolished to make way for an apartment house. Demolition had actually started when, at the last minute, another neighbor, the Marquesa de Cuevas (the former Margaret Rockefeller Strong, granddaughter of John D.) bought the building and presented it to the city, with the purpose of saving the fine example of Georgian architecture. Its future use has not yet been determined.

The building at 52 East 69th Street, next door to us, was also in a parlous state until very recently, when it was bought by actress Jayne Mansfield and will continue to be used as a town house.

Rendezvous With Destiny

EIGHT decades of living and thinking should make an earnest man a pro. So when Fred W. Workman of Pacific Grove, California, a retired and retiring Georgist, sat down on his 80th birthday to share his thinking, he could unhesitatingly say: "I spend most of my time studying and do not want to appear conceited but feel I can give some valuable advice."

Good health is a primary interest because "without good health, life is not worth living," and "we must recognize that the body is as sacred as the spirit or soul." Much ill health could be eliminated by right thinking and a more wholesome diet. He believes it to be a virtue and a moral responsibility to follow clean living habits and to preserve health of mind and body, especially excluding alcohol and tobacco, both of which he says contribute to physical and mental weakness and accidents.

Because he sees the health benefits of better fruits and vegetables and higher grades of other foods, he would make an effort to shift great numbers of the unemployed from the city relief rolls to useful and healthful work on the farm. To preserve the free enterprise system and help the helpless, we will need to establish man's natural heritage in his share of the land, with the Henry George plan of taking the rent of land in lieu of present general taxation.

"This plan would reduce the selling price of land and open all unused land to the under-privileged people for use. They would have to be financed by society until they could be self-supporting. This is a dilemma that society must face. If it is not accepted society will probably be forced out of free enterprise into some sort of socialism which can only work under

a dictatorship. A free enterprise that is not smart enough to cure its own ills will disintegrate or be destroyed.

"We have noted taxation as taking 37 per cent of production. The best estimate available of the total rent of land is 25 per cent of production. The total collection of the rent of land in taxes is an estimated 12 per cent, leaving a balance of 13 per cent untaxed. This 13 per cent added to the 37 per cent of taxation makes a total amount of 50 per cent of production subtracted from the earned income of our productive citizens. This is a terrific load for the productive part of our economy to carry. Notice that the federal government and most state governments do not directly tax land at all. This 13 per cent of untaxed rent of land (which is a social creation) represents the unearned increment in land which is enriching a favored few for no services rendered.

Quoting Thomas Jefferson, he notes, "Wherever there are in any country uncultivated lands and unemployed poor it is clear that the laws of property have been so far extended as to violate their natural rights."

But imperfections in government will always exist, such as the improper taxation of land, which he calls by Harry Gunnison Brown's term, "the skeleton in the closet of capitalism." But the U. S. still has the most productive economy, and with freedom the imperfections can be corrected. Should we be forced into a communist one-world program however, the Constitution, our charter of freedom, would be abrogated.

All property values as now held would disappear and some unworthy hierarchy would take the place of the present property holders. People who

resisted, judging by past performances, would be liquidated without mercy, as there is no sign of change since 20 million were killed in Russia and as many more in China.

As Americans we believe in freedom, not in socialism as it was described by George Bernard Shaw: "We Socialists have nothing to do with liberty. Our message is one of discipline, service and ruthless refusal to recognize natural rights." Each new generation should learn that socialism and communism are doctrines

based on powerful state control, without freedom for the individual.

So having turned the pages of his history books, Mr. Workman sees the tradition for which our forefathers fought as a glorious one which "has a rendezvous with destiny." He sees good in all religions but has "absolute faith in none." He believes man can make earth a paradise if he will learn to love himself enough to take care of his health of mind and body and to love his neighbor as himself, thus to be a good all-around human being.



NO HOUSING SHORTAGE IN FINLAND — WHY?

Why is there a fierce housing shortage in Sweden, which had no war and no bombing, and none in Finland which had to cope with an influx of 450 refugees? This was covered in the Los Angeles Times by a London observer and sent to HGN by Mrs. Robert White of Santa Ana. The answer, very simply, is that "Finns allow private enterprise and public works equal opportunities." In Sweden "all housing is rigorously supervised and controlled by the state." More than half of all new buildings are put up and owned by public authorities and must be let through "public housing agencies." Rents are strictly controlled. New flats are frequently negotiated privately. Rents are within the law, but exorbitant "key money" is asked. Out of this has arisen the so-called "housing shark," an accepted figure of Swedish society for at least a decade.

"Is 'War on Poverty' Label Misleading?" asked Samuel Lubell in a Boston Sunday Herald column (Jan. 3). "Nowhere in this whole effort does one find a real definition of the problem of poverty — or, more accurately, of the many problems which contribute to poverty," he writes. No analysis has yet been made of the cause of poverty — of how many persons are made or kept poor by what conditions. Unless these basic causes are identified and measures adopted to attack these causes, how is poverty to be ended?"

Richard T. Hall of Boston who sent this clipping, suggests that Georgists should begin a scientific study of the relation between land speculation and the problem of poverty.

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