

It's Still the Same Old Story

Whatever else a traveler may find on his journeys to foreign places, there is one all-too-familiar practice he will encounter wherever he goes: speculation in land. Be it a primitive village in the Philippine jungles or a cosmopolitan city in old Europe, there are bound to be those who unjustly profit from the economic privileges connected with private land ownership.

Thomas Han, a Nationalist Chinese who buys and sells real estate in Japan, last year earned \$5.7 million, mostly through the sale of land. In 1950 he bought a parcel in downtown Tokyo for \$30,000, and sold it in 1973 for \$6 million. However, Mr. Han disclaims any unusual ingenuity or perspicacity on his part. "All you have to do," he advises, "is hold on long enough. They can't manufacture more land."

But the enterprising Mr. Han is a very modest operator compared to Hideo Edo, president of the real estate subsidiary of Japan's \$14.9 billion Mitsui Trading Corporation, the nation's largest land developer. "In Japan," Mr. Edo has said, "everyone wants to speculate in land." As a result, Japanese land prices multiplied 23-fold between 1960 and 1973, when they constituted 80 per cent of the price of a home.

The frightening prospect of even higher land costs brought firm government action. Japan's biggest land dealers were summoned before the country's parliament, to "apologize" for the enormity of land prices, and stringent protective laws were adopted. Mitsui was required to sell a sizable portion of its land holdings to the Ministry of Construction. Further bank loans to land developers were banned, and a 7 per cent tax was imposed on all real estate sales. In addition, all new land purchases were made subject to approval by local authorities. (In place of these merely repressive measures, the adoption of land value taxation would have been simpler, more effective, more equitable, and more beneficial to the people of Japan.)

Finding itself thus stymied in its homeland, the Mitsui organization quickly turned to more marginal areas, such as Singapore, Australia, Thailand, Brazil, Hawaii, and the continental United States. (Incidentally, mention of Singapore brings to mind the interesting recollection that 150 years ago Sir Thomas Raffles built this island into a thriving commercial

center by land value taxation and free trade.)

Mitsui's excursion to territories far beyond the borders of Japan, in search of land to acquire and exploit, shows again that land speculation knows no boundaries. But obviously the clever Mr. Edo knows he must work fast, before he runs into restrictions similar to those imposed in his own country. Of course, the best thing he could "run into" in any country would be a policy of taxing location values.

The Hawaiian Islands, now America's fiftieth state, have a long history of land appropriation. A recent event was the acquisition by Gulf & Western Corporation of 751,000 shares (7 per cent) of the stock of Amfac, Inc. The latter was formerly known as American Factors, this being the operating name of one of the famous "Five Families" of Hawaii, who came originally as missionaries and then bought up all the land they could from native Hawaiians, who had no concept of private land ownership and sold their birthright for the proverbial "song." Today almost half (47 per cent) of Hawaii's land is owned by the largest private holders, and a like amount (48½ per cent) by the state and federal governments. This leaves 4½ per cent, owned by 60,000 others.

Recently the state's legislators, alarmed by the speculative trend, have made tentative efforts to correct the situation by applying the Pittsburgh graded-tax plan, shifting part of the tax from improvements to land. However, increased tourism and a reduction in pineapple and sugar growing have given land speculation a new impetus, so there is a strong effort being made to repeal the small start that has been made toward site value taxation. Hopefully this effort will be thwarted, and Hawaii will "see the light" and pursue its course toward at least partial LVT.

In the Philippines, there is a 271-acre coconut plantation which is tended by Senora Arcadia Samiano. For her services, she receives 12½ per cent of the proceeds of the crop, and she is happy these days, as the price of coconuts is high and is rising. But happier still are the Roque and Malvar families, who own the land, since the 87½ per cent balance is devoted to rent and "expenses."

—LANCASTER M. GREENE

NYHGS Embarks on High School Program

Among those who are devoted to the promulgation of Henry George's ideas and ideals, it has long been recognized that in order to assure a viable Georgist movement in the years to come, there is an urgent need to educate and to appeal to today's younger generation. With this necessity in mind, there have been more-or-less sporadic efforts to bring the Georgist message to young people, particularly high school and college students, with some success from time to time.

Happily, there has developed fairly recently a renewed interest in trying to provide future Georgist leadership. The endeavor has been quite actively pursued in California and in Ontario; and since last fall the New York Henry George School has engaged in an intensive youth-oriented educational campaign. Under the guidance of Acting Director Stanley Rubenstein, in-school and out-of-school programs have been put into operation, with encouraging results. In fact, the response has been sufficiently gratifying to indicate a challenging potential. The project falls basically into two categories.

First, because of the complex problems existing in New York City, the municipal authorities have instituted what are known as alternative high schools. These special institutions are attended by youngsters who for various reasons have left their neighborhood high schools. Although the students are obliged to take the normally required courses and to participate in the prescribed activities necessary to qualify for a diploma, they are permitted to plan their own programs and arrange their own activities. The City-as-School has one such high school, and since September students have come from there to the Henry George School, at ten-week intervals, to take a course in Urban Economics. The specially-designed course centers around simulations, mostly land simulations, which expose the young students to many Georgist concepts. As of the end of the third ten-week cycle, thirty-eight students had satisfactorily completed the course, receiving high school credit in Economics.

Because the early results have been so impressive, this program has been extended to another alternative high school called the Satellite Academy. Students successfully completing the course are given credit in American History. Here again, simulations are employed to demonstrate the important role that land

has played in the economic and social history of the city and the nation. Inevitably, the true nature of land is made evident, and the members of the classes, as young as they are, learn to understand its special place in political economy.

The second area in which the Henry George School has become involved is the introduction of the mini-course into numerous high school classes in New York City. To date, approximately 1200 students have participated in this novel venture, which is based on the Classical Analysis Mini-Course perfected at the Los Angeles Henry George School by Harry Pollard and his associates. Those who are familiar with the mini-course appreciate the value of its appeal to boys and girls of high school age, and its effectiveness as a basic approach to the economic and social teachings of Henry George.

One of the fortunate side-effects of the Henry George School's involvement in education at the secondary school level is the favorable reaction that has been aroused among New York City high school teachers. Many of them have evidenced considerable interest in the project and in its subject matter. Even more noteworthy is the fact that a number of these teachers, though previously not familiar with the topic, have taught the course to their students following the initial presentation by HGS personnel. This offers an extremely valuable advantage, as it obviates the necessity for teachers from the Henry George School to be present when Georgist principles are taught to students of the courses which it sponsors. Moreover, it shows that educators as well as students are willingly being educated, thus widening the circle in which Georgist thought is being disseminated.

Not only has the New York Henry George School, through its classes in Urban Economics and its mini-courses, been able to gain entrance into the city's schools, but its presence has been accorded a sincerely warm welcome. Obviously, this welcome is the reflection of a realization that a valuable service is being offered to both students and teachers. The continuation and further development of the HGS high school program constitute effective steps toward educating the young. Hopefully, the goal of widespread acceptance of Georgist economic thought will ultimately be attained.

Noah Alper: Stalwart Georgist

In his characteristically quiet and unassuming way, Noah Alper, president of the Public Revenue Education Council, continues year after year to perform yeoman service in the cause of publicizing and promoting the economic and social policies proposed by Henry George. Among his Georgist colleagues, there is none without deep affection for him, thanks to his warm spirit and his friendly personality. But the calmness of his manner only emphasizes his unswerving determination and perseverance.

Noah Alper's devotion to Georgist principles began in St. Louis many years ago, when he met Erwin Kauffmann, who persuaded him to read George's *Social Problems*. Later Noah explained: "I found George gave interest and focus to a subject I had not found in high school or university courses in Economics. His presentation of the nature of wealth, the factors of production, and the avenues of distribution gave amazing clarity to definitions unperverted by economic custom and tradition. And I was profoundly impressed by his views on taxation."

Promptly embracing the philosophy of freedom, Noah enthusiastically went to work. Seeking a means of gaining publicity, he developed an economic questionnaire. (Interestingly, it later became part of Lesson I of the course based on *Progress and Poverty*, given at the Henry George School of Social Science.) Five hundred copies of the questionnaire were distributed in offices and other business places, and to the local newspapers. The St. Louis *Star-Times* published the results in a news story that received wide attention, and sent copies to a number of professors of Economics, among them Dr. Harry Gunnison Brown of the University of Missouri.

While "growing up in the Georgist movement," Noah met John Monroe in Chicago. At the time, Judge Jackson H. Ralston (former attorney for Samuel Gompers, founder of the American Federation of Labor) was planning a "single tax" campaign in California, to repeal the recently enacted sales tax law and substitute land value taxation in that state.

John suggested to Judge Ralston that Noah might be willing to take part in the campaign, and soon after Noah went to San Francisco to serve as its director. Unfortunately, though two petitions to place the proposition on the ballot were successfully completed, a technical lawsuit brought by opposing forces so disrupted the campaign that the proposal received only slightly more than 25 per cent of the votes cast.

Although the result of the California "single tax" campaign was disappointing, a much happier development ensued. With the help of Judge Ralston, Noah and other Georgists started a Henry George School of Social Science in San Francisco. The first class, filled mostly by Georgists, provided teachers for future classes. Soon classes were formed and courses given in Oakland and Berkeley, and later in other places. Noah remained for some time, and on his return to St. Louis, the school was left in the capable hands of Edgar Pomeroy and others who had come there as students.

When he was again established in St. Louis, Noah was prevailed upon by the resident "Single Taxers" to start a school in that city. This he did, the year being 1938. The Henry George School of St. Louis was a success, and in fact prospered under Noah Alper's dedicated guidance, which he managed on a part-time basis. Then came World War II, and Noah willy-nilly was compelled to take a 38-month leave of absence to serve in the U.S. Army. (He was with the 69th Artillery, a unit which made the historic contact with the Russian troops on the bank of the River Elbe.) When the war ended, Noah returned to St. Louis, where he arranged to become the full-time director of the Henry George School. Once again, with his associates he worked energetically, and he is still proud that one year the graduating class numbered 179.

In 1949/50, Noah took another leave of absence, this time for a happier purpose, to spend a year at Columbia University, where he took several courses in Economics and a course in Public Relations Writing. When he returned to St. Louis, together with others he formed the Public Revenue Education Council, which was chartered as a non-profit Missouri corporation in 1952. For some years he continued to direct the St. Louis HGS, while supervising the activities of the PREC. The direction of the School was then turned over to Loral D. Swofford, and since that time Noah has devoted his time largely to the affairs of the Council, though he still teaches some classes at the School.

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Graded Tax Law Adopted

Although an act enabling cities of the third class to adopt a graded real estate tax law has been in effect in Pennsylvania for many years, the first such city to do so is Harrisburg, whose city council recently enacted the necessary legislation. As of 1974, under the new law, a graded (or "differential") tax will apply, the rates being 23 mills on land and 17 mills on improvements, a ratio of 1.44 to 1.

The main reason given for the current rates is that, while the total realty tax is somewhat higher than that of 1973, the graded tax will reduce the burden on rehabilitation and new construction, thus encouraging renovation and new building. It is interesting to note that the adoption of the graded tax measure was the result of a bi-partisan endeavor, having been recommended by Mayor Harold Swenson, a Democrat, and passed by a council with a large Republican majority.

It is also of interest to recall the history of the state's optional graded tax law. First adopted in 1951, and amended in 1959, the law was instigated by the Henry George Foundation, and in fact was originally sponsored and carried through by one of its founding members, State Senator Bernard B. McGinnis. Since its enactment, the Graded Tax League (a subsidiary of the Henry George Foundation) has been actively urging affected municipalities to take advantage of its provisions.

Viewing Harrisburg's action as a gratifying breakthrough, the League now plans to redouble its efforts to persuade other third class cities to adopt similar legislation.

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Taxes à la Marx and George

Socialists, who seem to agree among them that "taxation should be in accordance with ability to pay," make no distinction between earned and unearned income. It is misleading to say that "a man's wage is equal in value to that which he has produced." In our complex society, no man produces anything alone. All who contribute, from the point of extraction of natural resources to the finished product, should be compensated in accordance with the value of the goods and services in the open market.

Lincoln's statement that things produced by labor "of right belong to those whose labor produced them" refers to the reward to labor applied to the land, as opposed to the extraction of any part of wages for the use of the land.

Since the earth is the birthright of all mankind, the rent of land belongs to the people, and should be taken by government for equitable distribution, as in public facilities and services. Wages and interest should be distributed in accordance with the value of goods and services under competition in the open market.

The proposal of Henry George was to use the existing machinery of taxation to take more of the rent of land for public uses, and to reduce or eliminate the burden of taxation now imposed upon the worker and his capital. The issue is between Marxism and Georgism, whether we are to be slaves or free men.

(Excerpted from a "Letter to the Editor" by Julian Hickok, published in the Philadelphia Enquirer.)