



In her conference address (HGN August) Josephine Hansen indicates a belief that depressions have a monetary or banking cause as important as that of land speculation, or perhaps more important. Banks, she says, "profit by a rise of interest rate, but the poor suffer and lose businesses, home and savings."

Banks profit by a rise in interest rates but only in the sense that, under certain conditions if interest rates are not raised, banks lose. Because the price of a commodity or service rises, it does not follow that everyone furnishing that commodity or service is enjoying an increased profit—the price rise may be merely a reaction to negative phenomena in the economy (example, land speculation).

The profits of banks are through their creation of credit, which is not a commodity but a service, a thing which cannot be withheld for a higher return, as can land. If we "tax land into use" as Henry Ford put it, more people will be in a position to acquire homes and develop businesses. Banks will be only too glad to furnish the necessary credit, for they will know that their clients can repay, and with interest.

It is land that commands the economy, not banks, credit and money. Concentrate then on the land problem.

RICHARD T. HALL
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Had the events of the last few years occurred a hundred years ago, the North Slope of Alaska—our last frontier—would have been claimed and preempted by discovering oil companies. They would have reaped all the profits. But public awareness of the

great stakes involved and the well known different ideology of the Near East toward natural resources, implemented the State of Alaska's almost Georgist solution for oil mining. It assures a continuing collection of economic rent from this area by exacting a royalty for all mined oil. It's a concrete example of the power of natural resources to generate immense funds for public services—thereby enabling all citizens to share in the gains. If Alaska treated all her land as she did the North Slope she could solve her economic difficulties, give fair treatment to the native Indians and Aleuts, and assure that the future generations would have the same stake in their land as does this present population.

JOSEPHINE HANSEN
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In regard to Mr. McGahan's article "Taxation Is Not Robbery" (Sept. HGN), I would comment that taxation of earnings is robbery. And that the people's representatives should collect their common property values which include land rental and all the products of nature.

JOSEPH S. THOMPSON
San Francisco

It is always a great pleasure for me to receive and read The Henry George News. "Moondreams?" by Oscar B. Johannsen was without a doubt a most thought provoking and timely article. I read it with keen interest and enjoyed every word of it. To be honest, every article I have read by Mr. Johannsen has ever so much good common sense.

Thought you might like to know that I pass my copies on to others in the hopes to interest more people in Henry George. Keep up the good work.

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