

"My word." Father William was shocked. "We can't do that. It wouldn't be honorable. A gentleman always pays his debts."

"I don't see anything honorable about foreign countries trying to enslave us by flooding our country with goods. If we tell them we haven't any gold and if they won't take our goods in payment for what they send us, then I say to heck with them. We don't need them anyway."

"Oh, but we do," Father William interposed. "We depend on foreign trade to build up our economy and make us strong to fight the cold war. We have to have markets so our people will be employed and not make trouble, and we have to buy the foreigners' goods to keep their people employed. If we stop taking their goods they'll be mad at us and won't help us if the cold war gets hot."

"Won't they be mad at us if we have tariffs?"

"It isn't likely because, after all, they know that every country has to protect itself from being inundated by floods of foreign goods. They have tariffs themselves, you know."

"I still think," Alice mused doggedly, "that if we just let things alone everything would straighten itself out."

When the gold was used up the foreigners would stop sending us goods if we were honest with them and told them that they needn't expect anything in return. If they want to get rid of their stuff and give it to us—that's their business. We could dump it in the river if we didn't want it. Or store it away in warehouses like agricultural surpluses."

"It's plain that you haven't a mind for high finance," said Father William caustically. "It's a man's business anyway and young women shouldn't try to compete in the abstruse aspects of economics. But I'll make some tea and we can talk of things not so controversial, like that Rembrandt that was bought by a New York museum for over half a million dollars. It must have been a pretty picture to fetch that much money."

"Pretty?" Alice set her cup down smartly. "What do you mean? I see *you* don't know much about values. It brought that much because of its physical attributes plus the scarcity of Rembrandts—supply and demand was operating in an affluent society. It's like the 1799 U.S. penny that was sold about the same time for \$10,000. I don't think anybody thought it was pretty. It was just scarce."



### ELECTION RESULTS

In the November elections, a graduate of the Henry George School, Mark Southall, was elected to the New York State Assembly from the 12th Assembly District of Manhattan, on the Democratic ticket.

Thomas P. Gill of Hawaii was elected to the United States Congress. He advocates a Pittsburgh plan for Hawaii (tax land at a greater rate than improvements).

In California, a constitutional amendment which would have touched off a wave of land speculation near cities, was turned down by the state's voters. This proposition would have let farmland owners get assessment of their land as "agricultural," and not for its "highest and best use" as the law now requires. The land would have had to be in use for otherwise undefined "agricultural use" for at least two years to qualify.

The difference in taxes would have been substantial. Though farm organizations supported the measure, its primary support came from big suburban land holders. The president of the Home Builders Council of California admitted that defeat of the measure produced a collective sigh of relief among builders whose big problem is cost. Builders credit the defeat of Proposition 4 to the voter's tendency to vote "no" on items he doesn't understand—since it was one of 24 on the ballot, the result could easily have gone the other way.