

Henry George—His Views

AN American economist who died in 1897 is being widely quoted in the best circles today, although 40 years ago he was considered an extremist. Henry George's "Progress and Poverty" is the subject of numerous discussions now.

It was in 1871 that this unknown printer in San Francisco published his first pamphlet, "Our Land and Land Policy." He was 32 years old.

"Progress and Poverty," a monumental work, was written between August, 1877, and March, 1879.

A man remarked to me this week: "It seems as fresh as if it were written today of our present crisis."

Henry George forms as the basis of his inquiry into causes of the advancement of poverty with wealth, this question:

"Why, in spite of increase in productive power, do wages tend to a minimum which will give but a bare living?"

And then he traces the rise of the United States, or any other industrial nation, till the climax, when it has most of the gold in the world—and it literally begins to starve to death!

Henry George said we were transgressing natural laws, and that would lead us to the brink of destruction. Then, perhaps we should change our ways.

His solution was a single tax—a tax on the value of land (and none on improvements) to make it productive, and to decentralize wealth.

Present-day economists agree almost to a unit with his deductions, even those he projected into the future, but they are not agreed on the Single Tax.

Henry George saw in the accumulation of gold by a nation only the means of mischief-making. He pictured nations getting gold in exchange for goods exported instead of in exchange for goods imported. He pictured the gold being stored up in government vaults.

He pictured the nation paying large sums of interest on money while the gold lay idle. He pictured trade declining, commodity prices dropping toward nothing as more and more gold was piled up.

Then he visioned the final calamity, a nation sitting on billions of gold, and nobody with any money to buy even food.

Henry George said it was a common error to mistake gold for wealth whereas trade is wealth, and gold is a mere medium of exchange.

Incidentally, the Roosevelt administration plans to make gold valueless—if an individual has it hoarded. He can't export it, and he may find a confiscatory tax slapped on it if he brings it to light.

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How can bank accounts be turned over, moved, accelerated? Leading economists have argued that we have been suffering not from a lack of money, but from a lack of turn-over. And that has been caused by lack of trade.

F. W. Kemmerer, professor of economics and finance at Princeton university, world-renowned authority on money, said recently:

"From 1929 to 1932 the physical volume of trade declined 42 per cent. From October, 1929, to December, 1932, wholesale prices decreased about 35 per cent.

"Roughly speaking, then, we are doing about 60 per cent as much business as we did in 1929, and we are doing it at two-thirds the price level.

"So, if everything else were the same, it would take about 40 per cent less money—or two-thirds of it—to do the work at this declined price level.

"Our money in circulation, however, is much more than it was in 1929.

"Out bank deposits have gone off 69 per cent. But the rate at which those bank deposits circulate tells where the trouble is. The rate at which they circulate in New York has declined 78 per cent. In 141 cities, we find 58 per cent decline."

LESLIE EICHEL, (columnist) in Manchester (N.H.) *Union*.

A Few More Explanations and Definitions

W. R. B. WILLCOX, of Eugene, Ore., who was one of the special committee on taxation appointed by the American Institute of Architects, the report of which is an admirable statement of our principles, writes the Schalkenbach Foundation as follows:

One thing seems clearer to me all the time, and that is, to quote from a letter received from a confused inquirer, "I think our Georgist propaganda does not let people forget about taxes long enough to find out what Rent really is." To so many I hear from, a tax is a tax, and they have no conception of any difference between them. The farmer in our State is so sure that any tax is a tax, that he has managed to get entire relief from "real property" taxes and has loaded himself with a sales tax. I sent this inquirer a copy of the enclosed which he said gave him a new direction to his thinking.

Did you happen to see the latest joke which, in the present state of public intelligence is considered safe to broadcast: "Have you bought your lot for the Florida boom in Tennessee yet?"

Mr. Willcox encloses what he entitles "A Quandary." It is so excellent a contribution to clear thinking that we take delight in reprinting it.

Of what value is an educational system which so sets the minds of a generation, that they who have suffered under it cannot see the difference between things utterly unlike in their genesis, nature and effects? For example:

- (1) Payment of Rent implies non-ownership of the thing rented.

Payment of Taxes implies ownership of the thing taxed.

- (2) One decides himself the amount of Rent he will pay.

Another decides for him the amount of Tax he must pay.

- (3) Rent is a variable, but definite, known quantity. Taxes are also a variable, but indefinite, unknown quantity.

- (4) One elects to pay Rent, so he does not complain about it.

One does not elect to pay Taxes, so he does complain about them.

- (5) Rent does not measure the cost of government. Taxes do measure the cost of government.

- (6) Rent does not provide public improvements and services.

Taxes do provide public improvements and services.

- (7) One knows the amount of Rent he will have to pay. One does not know the amount of Taxes he will have to pay.

- (8) Rent is not paid under compulsion, in normal circumstances.
Taxes are paid under compulsion, in any circumstances.
- (9) Collection of Rent in ways he who pays it is unaware of, would be considered foolish.
Collection of Taxes in ways he who pays them is unaware of, is considered the height of political wisdom.
- (10) Rent paid for use of anything does not increase its cost.
Taxes paid on anything produced by labor increases its cost.
- (11) Rent paid for Land determines its price.
Taxes paid on Land decreases its price.
- (12) Rent is paid for Land only when the one who rents it wants to use it.
Taxes are paid on Land even when the one who pays the taxes does not want to use it.
- (13) Rent is paid for the use of what others produce.
Taxes are paid to produce what others want to use.
- (14) Men never fool themselves into thinking they own the Land for which they pay Rent.
Men constantly fool themselves into thinking they own the Land on which they pay Taxes.
- (15) God, not man, created all Land.
Man, not God, (in connection with Land) produces all Wealth.
- (16) Taxing Land makes it easier to obtain.
Taxing Wealth makes it harder to obtain.
- (17) Payment of Rent encourages industry.
Payment of Taxes discourages industry.
- (18) Scientifically speaking, nothing Man does not produce, such as Land, is Wealth.
Scientifically speaking, whatever Man produces, such as the products of Labor and Capital (in connection with Land) is Wealth.
- (19) Scientifically speaking, the term Rent means payment only for the use of Land, which Man does not produce.
Scientifically speaking, the term Interest means payment only for the use of Wealth, (the products of Labor and Capital in connection with Land) which only Man produces.
- (20) Scientifically speaking, the term Rent means payment only for the use of Land; the term Wages means payment only for the use of Labor; the term Interest means payment only for the use of Capital, which is that part of Wealth used to aid Labor.

Genesis of University Economics

(FROM MUNCHAUSEN'S GENERAL HISTORY)

"HAVE the poor no bread? Then why don't they eat cake?" asked Marie Antoinette.

"Because, Your Majesty," answered the Jester, "they are ignorant. If Your Majesty would deign to instruct them how to get the cake they would gladly follow your advice and declare you the greatest Queen of all time."

"How can they be so stupid?" said Marie, "all one need do is ring a bell for a servant who will bring it. That is how I do."

"Ah, the wonderful wisdom and learning of Your Majesty! Solomon never said anything half so wise. Were there out in France a professor of political economy able to explain economic problems as well, the whole country could soon profit from your wise and practical ideas on the food question."

"I will endow a chair of political economy," exclaimed the Queen, "and appoint a professor at a large salary to teach the science properly. Who shall it be? Say, Jester, why should it not be you. You are far too wise a man I see to be a fool. I hereby appoint you professor of political economy. Take off that jester's costume and get a more appropriate suit for so dignified a position. You start tomorrow in your new job."

And thus was started the economic philosophy still being taught in the great universities of the world.

SAMUEL DANZIGER.

What Would You Do?

THIS is a frequent and very pertinent question. Our short answer is: Throw open all land to equal use of all the people; abolish every form of tax, both local and national; use the rent of the land as the natural revenue of the community, and leave every producer in full enjoyment of the whole of his product.

If you who read these lines should think this "too simple," may we suggest that you think again? If, having done so, there should remain any doubt, call, write or 'phone us, and we will undertake to remove it.

Commonweal, London, Eng.

IT appears from the actions of legislators taxation is the science of shifting the burdens of the cost of the government from the voluble and recalcitrant to the dumb and submissive, vide:—

The proposed sales tax in New York.

The farm relief measures in Congress.

The taxation of labor products everywhere.

Thousands of laws enacted to tax thrift and exempt privilege.

"The power to tax is the power to destroy." It is generally used to destroy industry, trade, thrift and the prosperity of the masses.—JOHN J. EGAN, in *World-Telegram*.