

HGI JOURNAL

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PROGRESS OF THE INSTITUTE

In the first issue of the HGI JOURNAL, September 1971, we reported on the initial progress of the Henry George Institute. Since then these developments have taken place:

Meetings for members were held September 22 and October 29, both at Freedom House. At the September meeting there was discussion on projects the Institute might undertake, among them the encouragement of letter-writing (to editors and officials), distribution of publicity, the undertaking of correspondence courses. There was also a discussion on current events led by Sydney Mayers.

At the October meeting, Robert Clancy led a discussion on controversial issues of the day: price and wage controls, the entry of Red China into the UN, police corruption, and the New York subway bond issue.

Educational work included Progress and Poverty classes, one in Syosset, L.I. taught by Dr. Samuel Scheck and one in Jackson Heights taught by William Liszanckie. The Spanish program was an outstanding success. See page 9 for a report.

Lessons for the course in Progress and Poverty, both in English and Spanish, were printed and issued for Fall classes.

(Contd. on back page)

HGI JOURNAL

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EDITORIAL COMMITTEE

Robert Clancy
Sydney Mayers
Dorothy Sara

EDITORIAL

As we move into 1972 we are one year closer to the 100th anniversary of Henry George's Progress and Poverty which appeared in 1879 and from which we may date the beginning of our movement. By 1979 it may be time to review and assess the advances and setbacks of our movement.

Meanwhile we may seek, on the last lap of our first century, to look toward building the foundations of an enduring movement. The Georgist movement has been illumined by brilliant flashes from outstanding individuals. There have also been organizations that have worked steadily. But we have never had a unified and many-sided effort with participation by all adherents of the Georgist philosophy.

It may be much to hope that the Henry George Institute can undertake such a task - but it can surely make a contribution in that direction.

There have been strong forces ranged against our philosophy - the power of vested interests, the inertia of most people in accepting whatever is thrust upon them, the growth of big government, the application of false remedies.

Within our movement, too, there have been negative currents - the difficulty experienced by sincere adepts to devote effort to our cause in the midst of a busy life, the variations of interpretation which keep diverse groups apart, the many other obstacles in the way of cooperation and progress.

Yet the possibility must exist - and if the right start could be made our effectiveness and influence would be greatly enhanced.

The job of working together democratically is a skill which must be learned and practiced.

WANTED - MORE PUBLICITY

By JAMES L. BUSEY

A great problem suffered by the Georgist movement in the United States is its lack of publicity. Though fiscal reformers influenced by the thinking of Henry George are given occasional notice in the press, it is extremely rare to read expressions of opinion from supporters of the grand design of Henry George.

If there has been very little publicity about the Georgist philosophy, this is in part the fault of its followers. Because so much effort has been expended in classroom instruction in the analysis of social problems, there have been but little energy and few funds remaining for efforts to bring this point of view to the attention of the general public. Also, and partly because of the great educational effort they have made, a large body of Georgists seem to be reluctant to participate in the kinds of pressure-group activity in the realms of politics and publicity which are essential if Georgist proposals are ever to be adopted. It is fine to inform the citizenry about the intricacies of Georgist theory; but if this information is ever to come to practical action, there must be publicity and there must be political involvement.

For these reasons, it is gratifying that the Journal of the Henry George Institute has now appeared. Since Autumn 1969, Equal Rights has been published quarterly by the Henry George Foundation, and it has been my pleasure and honor to give some assistance to that project. With the addition of the Journal to Equal Rights and to other small publications which support the Georgist point of view, some tiny breakthrough may be occurring in the wall of silence which surrounds this movement. The Henry George Institute deserves congratulations and support from adherents of Georgist theory.

It is also to be observed that readers' letters from Georgists almost never appear in the press. One reader's letter may not have much of an impact on public opinion, but a large number of them, published in several newspapers around the country over a period of time, cannot help but have an important influence on the course of public policy.

Furthermore, readers' letters often help Georgists who may previously have known nothing of each other, to get together for more united and forceful activity on behalf of their philosophy. The consequence is that newspaper and other periodical readers observe a multiplication of published expressions in support of the Georgist point of view; and opportunities for more effective action are multiplied.

The Journal will swell this small chorus; and I also urge its supporters to get out their pens or typewriters and let the world know we still exist.

(Dr. Busey is professor and chairman of the Cragmor Division of Political Science, University of Colorado, Colorado Springs. - Ed.)

NOTE RE NOMINATIONS

On the list of members recently distributed in connection with nominations, the listing for Ohio was inadvertently omitted. Members for that State are Howard L. Morris and Woodrow W. Williams. Our apologies for this oversight.

Since the list was issued, the following have become members of the Institute (up to the time of publication): Benjamin F. Smith of Michigan; Mathew Dancis and Marguerite Merrill of New York; Anne B. Lorenz of Oregon; and Carl F. Iversen of Canada.

In the event that any members may wish to submit any of the above names for nomination, the deadline for these names is being extended to February 10, 1972.

MONEY SHENANIGANS
By OSCAR B. JOHANNSEN

The average Georgist, secure in his knowledge of fundamentals, and aware that a society's system of land tenure is one of the most vital keys for the establishment of a sound economy often does not appreciate the importance of the monetary system in existence.

He may, therefore, not recognize the significance of the two major monetary events of 1971. The first was the action by the President on August 15 in formally shutting "the gold window", that is, refusing to redeem the "paper-dollars" held by foreign central banks into money (gold), and instituting wage-price-rent controls. The second event was the December 17-18 accord of the group of 10 major western powers in which it was agreed that the dollar would be devalued by about 8%, that is, would be redefined to be 1/38th of an ounce of gold. At the same time the other major currencies would be revalued upward. This simultaneous action meant a weighted average devaluation of the dollar by about 12%.

Although much hyperbole has been expended on the specific measures adopted, their true significance lies in the fact that they are further evidence that no sound economic procedures are to be adopted to curb inflation in America and in the major western powers. This is because the measures deal with symptoms and not fundamentals.

The Georgist, recognizing that fundamentals are rarely considered, is probably not surprised and may therefore be inclined to shrug off what occurred as typical. In any event, he may feel since the land problem was not directly involved, that nothing important transpired.

History, however, teaches that monetary disturbances can lead to economic chaos, out of which may rise a dictator who proceeds to restore order at the

expense of freedom. If that occurs, what possibility will there be that sound land reform will be enacted? Witness the French Revolution. The fantastic inflation of France's "paper-money" of assignats and mandats created such chaotic conditions that it led to the dictatorship of Napoleon Bonaparte, hardly a friend of land reform. And, after all, threats to liberty are Georgists' concern, for the very essence of Georgism is that it is a philosophy of freedom.

An understanding of money's importance may be gained if it is recognized that money is the binder which holds together the diverse economic elements of a sophisticated society for all economic calculations are in terms of money. How can the true economic rent be determined if a constantly depreciating monetary unit is employed? Patently, if a binder, as cement, is too watery, it will not be long before it crumbles, bringing down with it the entire structure.

A watering of the so-called money in use in the United States and in western powers has been the means employed in an effort to ameliorate the economic distortions caused by the unsound system of land tenure practiced. This has been accomplished through the improper issuance of non-interest bearing debts on a gigantic scale by the central banks of all major powers, which debts circulate as though they were money. Put in simple terms, this amounts to saying that huge amounts of "paper-money" have been printed with nothing back of them. This is inflation.

Visualize a pond full of "paper-money." A stream, fed by a huge printing press pouring out billions of pieces of "paper-money" flows into the pond causing its level to rise. This rising level constitutes rising prices. The rise in prices is not inflation. Instead, inflation is the printing of all this "paper-money" which does not represent actual wealth.

Since the monetary measures of 1971 attacked symptoms (rising prices) instead of fundamentals

(the printing press), all that occurred was that a ceiling was put over the money pond to prevent its level from rising. The wage-price-rent controls as well as the manipulation of foreign exchange rates are in effect this ceiling. But it is ineffectual for at the same time the printing press is permitting to continue to pour forth its stream of "paper-money." Something will have to give. Either the printing press is stopped or the ceiling will explode.

But nothing as fundamental as stopping the printing press in the United States, or for that matter, in other powers will be attempted. The most that can be hoped for is a slowing down of the quantity of "paper-money" being printed. This is because as long as land is treated as though it were private property, it becomes impossible to eliminate inflation without inducing a devastating depression.

Since for the past generation, the peoples of the world have been spoon-fed by their various governments, they will not tolerate such a traumatic purgative. Thus, it is fairly obvious that the monetary adjustments of 1971 will be succeeded by many more in the years to come. Unless knowledge becomes more diffuse, it is almost a certainty that economic and monetary nonsense will continue to be the order of the day. The world's currencies will be adjusted upwards or downwards, with the dollar probably being almost constantly devalued until the phrase "not worth a dollar" will become a colloquialism for worthlessness. When that happens, the danger is great that, whether in name or not a dictator or semi-dictator will rise here.

The importance of the problem caused by the government's manipulation of money cannot be over-emphasized for the unsound solutions instituted may well prove to be the avenue by which freedom may be destroyed in America.

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(Comments by readers on this or any other items in the HGI JOURNAL are invited.)

LETTERS TO EDITORS

To Forbes magazine, December 15, 1971:

Sir: Your article "Our Lopsided Housing Boom" (Nov. 1) neglected one most important factor; our upside-down system of taxing real estate. By taxing improvements, we penalize anyone who improves his property, and we reward anyone who lets his property deteriorate into a slum. The transfer of real estate taxes from improvements to site values would certainly be of great benefit to the building industries as it would to the country.

Joseph Jespersen
Flushing, N.Y.

To the New York Post, September 16, 1971:

The housing shortage is only a symptom, as are inflation, recession, and all forms of temporary and permanent involuntary poverty - symptoms of an evil called land speculation.

Tenants organizing rent strikes won't do any harm, but strikes won't increase the supply of housing at reasonable rents. And federal grants for that purpose would all come out of the taxpayer's pocket. But there is a way to end the housing shortage with no unpleasantness to anyone - except land speculators.

Remove city taxes on buildings which penalize landlords for improving their buildings. This is one reason they let them rot, so their taxes won't be raised. Under today's system, an improved house must pay more taxes than a slum house.

Tax instead the value of land beneath buildings. A high tax on land value would lower its selling price, putting it within range of low and moderate rent housing.

William O'Connor
New York, N.Y.

SPANISH LANGUAGE WORK OF THE INSTITUTE
By WILLIAM A. CAMARGO

The Latin American Georgist Association (Asociación Georgista para Latino America, or AGLA) has served since its inception in 1962 as a cultural and educational organization to promote the philosophy of Henry George in New York and throughout the Spanish speaking world. In the Fall of 1970 AGLA joined with other groups in sponsoring a meeting at Freedom House to discuss the future of the Georgist movement. At this and subsequent meetings its members participated in the creation of the Henry George Institute.

Last Summer the Spanish Committee of the Institute prepared new material for a course based on Progress and Poverty. The 7th Spanish edition was chosen for its fidelity to the fire and intellect of Henry George. This edition, the life work of Baldomero Argente del Castillo, is a masterpiece in the art of translation.

Last September the Committee launched a publicity campaign to introduce the Institute to the two million persons of Hispanic origin who reside in Greater New York. Press releases were sent to all the Spanish media. The courses were announced free as a public service on television and radio. The entire press release was published as the leading article in the educational pages of El Diario-La Prensa and was also featured by several columnists. This publicity was followed up by two paid advertisements in the press.

Classroom space was provided by Aspira, a Hispanic educational organization. Fifty-six students enrolled and paid a registration fee, which provided for the book and course material. The students comprised two classes, one taught by Leonidas Paniagua, the other by Edmundo Moya. The work was coordinated by Bolivar Rodrigues, Chairman of the Spanish Committee.

On December 18, 39 students received certificates of completion at the main lecture hall of Aspira. Most of these graduates planned to continue with the second course based on Protection or Free Trade by Henry George and El Sistema Fiscal by J. Anglada Prior. This course will be taught starting in February when two new classes in Progress and Poverty will also be offered.

The Spanish Committee, having got off to a very good start, looks forward to continued progress. Viva Henry George!

A VISIT TO KENT STATE

An interview with WILLIAM LISZANCKIE

(In May 1970 the nation was shocked by the tragedy at Kent State University in Ohio - a student demonstration against the invasion of Cambodia culminating in the killing of four students by the National Guard. This led to numerous investigations and reports, and at least three full-length books. In November 1971, William Liszanckie of New York, who had been studying the event, paid a visit to Kent State and commented afterwards as follows, in an interview.)

Q. Why did you go to Kent State a year and a half after the tragedy?

A. It was not so much a pilgrimage as something I had to do to satisfy my curiosity about Kent, about the middle west, etc. The visit was fairly quiet and uneventful - outside of a few signs of "the generation gap" - but I wanted to see the place first hand, especially as I am planning to write a book about the event.

Q. Why do you think the Kent State event was so important?

A. It was important in its effects. It was the last straw in the building up of deep tensions in American society. After the Kent State incident, 700 colleges - one-third of the total in America - closed their doors. It surfaced the generation gap, and it changed American thinking about the war. It also crystallized a change in youth that had been building up.

Q. In what way has youth changed?

A. Basically in its goals. In the 1950's, students sought careers as engineers, public relations men, etc. Now they are more socially oriented and are seeking careers in humanifarian programs. A good example is the large group of young people who work for Ralph Nader for small salaries.

Q. Why do you want to add another book on Kent?

A. The books that have appeared - by James Michener, I.F. Stone, and Esterhaz and Roberts - are reportorial and historical in character. I want to go further and interpret the event, which I consider to be one of the most important events - if not the most important - of the 20th century. The first part of my book will be factual, the second part will be my personal interpretation and the third part will be a review of the Kent State books.

Q. Do you think the changes brought about by the Kent State incident represent any opportunity for the Georgist philosophy?

A. There is the possibility of reaching the "middle of the road" youth. I do not think the New Left can be influenced in our direction. To reach today's youth will require much special work. I hope my book will make a contribution in this direction.

* * *

The word for today: "The great aim of education is not knowledge but action." - Anthony J. Thomas

PROGRESS (contd. from page 1)

New York State Assemblyman Andrew Stein has become interested in land value taxation, and members of the Institute are consulting with him on the subject.

The high school speech contest initiated by Prof. Clyde Reeves (reported in the September issue) was postponed until next Fall.

A cheerful Christmas social was held December 18 at the George Washington Hotel in New York.

Around the Christmas season we were pleasantly surprised to receive unsolicited and generous contributions from the Fairhope Single Tax Corporation, Anne Lorenz, Jenny Mantione, Howard L. Morris, Harter Price, Mabel L. Rees, Carl F. Shaw, Mr. and Mrs. B. F. Smith, William E. Walker and others. To these and all who support the Institute, our hearty thanks.

Recent out-of-town visitors include: Sam Dyson of Fairhope, Ala.; Mildred Loomis of Heathcote, Md.; Marjorie Dare of Williamsport, Pa.; and S. Mahadevan of India.

Membership continues to grow, although a little more slowly than during the period when the Henry George Institute was first launched.

The Nominations Committee has sent out letters asking for recommendations, in preparation for the first general election, to be held this year.

Plans and projects for 1972 are shaping up, including classes, the publication of suitable literature, and consultations with legislators and educators.

New members are welcome. For information about joining, contact the Henry George Institute, Room 462-A, 55 West 42nd Street, New York, N.Y. 10036.