

# Henry George School of Social Science

THE best laid plans of mice and men gang aft a-glee!" Never has the truth of this saying been more forcefully demonstrated than in the inadvertent publication of the address at 252 West 72nd Street in the last issue of LAND AND FREEDOM in both this section and in the advertisement carrying this special announcement.

All arrangements for the occupancy of the place at 72nd Street had been made, even the lease was drawn and waiting to be signed; LAND AND FREEDOM had to go to press and we had every reason to believe that the negotiations would go through as planned—wherefore the announcement!

It developed, however (and fortunately in time) that there was involved the violation of a city ordinance in that the place had only one exit while the New York fire regulations require two separate and permanent exits for all places of assemblage. This, of course, is a proper regulation, but as the landlord, or his agent, did not see his way clear to provide the needed additional exit there was nothing sensible left for us to do but to look elsewhere and this seems to have been worked out to very good advantage, for the place finally decided on at No. 211 West 79th Street is much more desirable in many ways.

Repetition is sometimes in order, and in view of the necessity of correcting our error in prematurely publishing an incorrect address, may we not be forgiven if we again mention that books on all phases of Economics and Social Philosophy are wanted and will be acceptable, as the School will have its own library and reading room always open to students and the public and will need books to supply such library and reading room facilities as fully as possible.

Pictures and busts of Henry George suitable for display in library, class and reading rooms, also are wanted and will be properly cared for. First editions and books of greater value will be given special care and will be preserved for posterity.

All gifts will be appropriately labelled with the name of donor unless we are otherwise instructed.

Here is an opportunity to put to effective and permanent use life-time collections of books that not only will be made to serve humanity and the cause we hold dear to the fullest possible extent, but also to give such books a permanent setting that in every way will be worthy of their collector's ideals, hopes and wishes.

## QUESTIONS AND ANSWERS

Question 1. In a talk I am asked to make at a local luncheon club I probably shall assert that the tragedy of unemployment lies not in the loss of a job but in the victim's lack of opportunity to produce for himself. Make land free, as in early days, and mass unemployment, mass underpayment, mass poverty and some other social problems will disappear, as physical diseases disappear when we remove the cause. All very fine, but someone is going to ask what that will do

to the problem of overproduction. If but one-tenth of our idle, or one-tenth of our underpaid were to go back to the land, what would happen to agricultural prices—which even now are less than costs of production?

To me that question is something of a poser. It would be hard to convince that bunch that re-employing twelve million idle people will greatly affect farm prices, and especially if many of them are to engage in agriculture. For two reasons: one those twelve million are eating now and will not eat much more after they get jobs; second, the slump in farm products came while the idle hordes were at work. Why should not the slump continue after they return to work? I would like to have that muddied spot in my reasoning cleared up before exposing myself publicly to such questions.—A. G. C.

Answer: If land is "free" as A. G. C. proposes to make it, the margin of production will rise to the point where each producer will receive the full value of his product. This means that labor will receive the highest wage possible. If wages are high consumption of all products will increase, not merely quantitatively but qualitatively.

Free land means also free competition and the free play of the law of supply and demand. Farmers (and this is true of all producers) will then not produce products other than those wanted, nor quantities other than such as the demand warrants. But does A. G. C. really believe there is, or ever has been, an overproduction of farm products? Does he believe that even in our so called times of prosperity everybody consumed all the farm products they really needed, and could consume, if their incomes permitted the full gratification of all their potential wants and desires? Unless we think down and trade down to poverty and misery and accept these as the normal conditions and standards of life, there can be no overproduction of food stuffs until all the potential demands of every man and woman and child for food, both quantitatively and qualitatively, have been fully satisfied. For man is an animal that is not satisfied with merely quantity, but given that, demands also quality. Who but the rich have ever had enough of both?

"The poor ye have always with you," is one of the world's greatest historic truths. Even in times of greatest "prosperity" poverty has always been the rule; and as the poor cannot consume in proportion to their potential needs, but only according to the measure of their meagre incomes, *underconsumption* has always been the rule. It is underconsumption of farm products, and all other products, therefore, and not overproduction that is troubling our social structure, and the problem is to increase the purchasing power of the consumer—all consumers—and not to reduce production to meet the poverty of the people. The truth is that the 12 million idle people (and 50 million more in this country alone) never ate enough—if quantity and quality, and desire and selection, had anything to do with it. Not only will the 12 million eat more and better food, wear more and

better clothes and live in more spacious and better homes if the rent of land were taken in lieu of all taxation and thus the land were free, but over 100 million in the United States will do the same.

Question 2. Another question someone is sure to ask is how a higher land tax can be justified when tens of thousands have lost their farms and city homes and when in many cases the present tax exceeds the rental value of the land. I do not know how New York has done but this section has been spending and borrowing appallingly. Lay a map of this State on a table and sprinkle over it a spoonful of sand and each grain would represent a heavy public debt incurred, a beautiful marble and bronze court house, a palatial city hall or community center and modern school houses without number. One woman told me recently that her town school building was badly crowded. So, they tore it down, issued bonds and built another. Shortly before the crash, the school board had a lot of money and tried to pay off some of the remaining debt but discovered they could pay only so much each year. Today that school district still owes a back breaking balance and the fine, new building actually seats fewer pupils than did the old one. Nebraska has built her ten million dollar state house and has improved her roads on the pay-as-you-go principle, but little towns and big have paved their streets and installed other public services until the matter of paying even interest on it all, not to mention salaries and present needs, is most serious. And when the land tax already exceeds the rental value of a tract, the owner or his friend is sure to ask how an increase can be justified. Can you help me answer him?

Answer: Where does A. G. C. get the idea that a "land tax" (assuming, of course, that he means a tax equivalent to the full rent of land, or as it is more correctly stated, the collection by government of the rent of land in lieu of all taxation) where does he get the idea that such a tax is an increase in taxation? He surely must be aware of the fact that the taking of the rent of land under the system he seems to favor implies also the abolition of all other taxes. Can it be that although knowing this he still is unwilling to have the government collect the full rent of land?

In question No. 1 A. G. C. speaks of making land free. One begins to wonder what he means. The phrase "making land free" under the scheme of rent socialization, in favor of which evidently he means to speak, has only one meaning and that is making land cheap; so cheap that no one can sell it and get any appreciable price for it; so cheap that no one need pay any purchase price for it; so cheap that it is accessible to everyone; so cheap that after paying the ground rent for it the producer has one hundred per cent (100%) of his own entire product left (the rent representing that part of the product that Nature or Society—mainly the latter—has produced). If A. G. C. is interested in making and keeping land free, and if he realizes that taking the rent of land and abolishing taxes will make and keep it free, why is he concerned about higher land taxes? What difference does it make whether land taxes now exceed the rental value or not? If they exceed it, so much the better, for then the true rent of the land, which is what will be taken, will represent a reduction. If A. G. C. is going to speak to his luncheon club he is going to talk about changing present conditions into others

that are sane and he should always bear in mind that it will be the *rental value of land*—the amount that a willing renter is satisfied to pay—that will be taken, not more and not less.

When A. G. C. speaks of farmers losing their farms and blames this on taxation, why does he not analyze the tax and ascertain how much of it fell on the land value and how much on the value of improvements? If he did this he would probably find that the tax fell most heavily—as it generally does—on the improvements. These, under the land-freeing system that he presumably espouses, would be tax free and thus the farmers' burden would be lightened. But A. G. C.'s land-freeing system is also a general, or universal, tax-freeing system, not merely an improvement tax-freeing system. Under it all taxation would be abolished. There would be no tax or any commodity or labor service, and this would further reduce the farmer's burden by reducing, relatively, the cost of all the seeds, the tools and the machinery; all the materials for his houses, barns, fences, drains, coops, stalls, paints, etc.; the cost of the clothing, shoes, hats and of the foodstuffs that he does not produce; and also the price of the piano, organ, radio, victrola, fixtures, furnitures, rugs, carpets, kitchen utensils, automobile, tractor, reaper, harvester and what-not that the farmer buys, as well as no tax on his income. Add to this the greater demand under free-land conditions for his own products and his greater ability therefore to more readily dispose of everything he produces at a fair price, and you have a picture of the farmer's condition under Henry George's system of "free land." And as long as it is the farmer that A. G. C. is most concerned about let us add this thought: The land values of New York City alone are nine thousand million dollars (nine billion for short). Chicago, Philadelphia, Boston, Cleveland, Detroit, Cincinnati, St. Louis, San Francisco, Los Angeles, and other cities will make, comparatively, equally good showings. What are the land values of farm lands in comparison? Remove the tax on the farmer's improvements and on the commodities he buys and he will be almost tax free.

Whether the court houses, schools, city halls and community centers that A. G. C. speaks of were services that the people of Nebraska needed and wanted, or whether they were useless, extravagant and foolhardy, cannot rightly form the topic of a fundamental economic discussion, but that all real services that government renders to the people immediately reflect themselves to their full value into higher land values is a proper subject for such discussion. If Nebraska had collected the rent of land instead of taxing improvements and had abolished all taxes on commodities and services, every court house and school, and every city hall and community center that it built—and of which no doubt the citizens of Nebraska were proud at the time—would have paid for itself, perhaps many times over, in the rises on land values that

immediately followed the building of these improvements. The City of New York does a lot for its people. In 1932 it spent 631 million dollars for services. Of this sum the State of New York furnished 50 million dollars and the City had to raise 581 millions. The annual land rent in New York City in 1932 was about 700 million dollars. If New York City had done more for its people, and as a result needed more money, the land rent of New York would have been at least that much higher. That's the nature of land rent. Of course, New York is not taking this land rent beyond its general tax rate, and more than two-thirds ( $\frac{2}{3}$ ) of the rent remains in the possession of the land owners and is capitalized into the selling price of land. So, New York, too has a problem, only smaller perhaps, in degree than that of Nebraska or other equally enlightened places, as New York takes a bigger proportion of its land values in taxes than do most other places.

Question 3. A third question which someone is almost sure to spring is this: Will not taxing land values exclusively not merely impair but completely destroy the assets of life insurance companies? What about them? If that question is not asked I certainly shall not suggest it, but if put to me now I could not handle it satisfactorily.

Answer: The collecting of land rent and the abolishing of taxes will probably not be done in full at one time, but in convenient stages, say by an increase of five per cent (5%) per year. Thus it will take fifteen or sixteen years to make the change. In this period industry will have an opportunity to adjust itself, and this it will begin to do immediately that the measure is enacted into law. No harm will, nor can come then to insurance, banking or other institutions that lend money on, or invest in, unimproved land, for it is assumed that that is what the question implies. Improved property, especially that which is fully or properly improved, can only benefit by the change.

Question 4. I dislike to bother you with my troubles. For many years I have written and talked Single Tax and I used to think I had a fair working knowledge of the philosophy, but the last few years have produced situations which were not among any conditions that I had anticipated. Just now I need help badly and surely shall be grateful if you can extend it.

Answer: Our very best advice to A. G. C., whether or not he intends to speak for the Single Tax, is to register at once for a correspondence course at the Henry George School of Social Science, 211 West 79th Street, New York City. The new sessions start in September. The course is free excepting for the cost of one book—"Progress and Poverty" by Henry George—which may be had for \$1 by writing to LAND AND FREEDOM, 150 Nassau Street, New York, N. Y.

**H**AS the depression touched bottom? By no means. Let us hope it never will. So long as some industry can still be carried on, so long as some are not totally destitute, so long have we avoided touching bottom. But let our statesmen keep on fooling with fake remedies and we'll get there.

## The Editor Appeals For The School

**O**N this occasion we depart from a long settled policy to resist any temptation to appeal for help for any specific Single Tax activity. We do so now because we feel the imperative need of sustaining what appears to us the most important movement ever begun in the history of our cause. We refer of course to the Henry George School of Social Science.

The School, now in the second year of its existence has, as our readers are informed, a permanent headquarters. It has classes composed at present of about fifty young students, coming from high schools and colleges, who are getting an economic education. So much is needed to be done for the young that we, who are living on borrowed time, must realize the importance of passing on the torch which we must soon relinquish.

Those who have had the opportunity of witnessing the remarkable effect of the system of education carried on by our able Director, who have personally met and talked with these bright young students, many of whom are now definitely enrolled as ardent apostles of the new truth so vividly revealed to us by Henry George, see in the present achievements of the School, but more in its potentialities, what an institution under proper nourishment it may become.

Today many men and women are more and more dubious of the trend of civilization and governments. Socialism has failed in Russia; it failed in Italy, and under it Italy drifted into a dictatorship; it petered out in Germany, and is now being tried in the United States. The great industrialists, merchants and manufacturers with substantial payrolls, bending under tax burdens, fear they know not what. Among these the Henry George School for Social Science will find friends who in time will help to support it. Already a section of a public utility company, important and vast in its ramifications, has appealed to the School, wanting to know if there is room for its employees as pupils of the classes in the Henry George School of Social Science. A like request has been received from a denominational Ministers' Association of large membership. And others will come. The School is full of definite promise.

A word as to the Director, Oscar H. Geiger. At the Baltimore Henry George Congress our old friend, Dr Mark Milliken, of Hamilton, O., suggested the foundation of a Henry George University. The suggestion caused the ripple of a smile, the idea seemed so remote. But today one man's audacity and high courage has enabled us to visualize the possibility. For the School will grow and ere long may develop into what Dr. Milliken desires.

Our Director is equipped with knowledge, tact and