

ACROSS THE ATLANTIC

I have just returned from another business trip to America and during my visit I had the usual pleasure of turning from business conditions, which are now so confused, to the sanity and soundness of the Georgeist Movement. My first pleasurable meeting with our friends was in Montreal where Miss Strehel Walton, assisted by a splendid band of people whom it was a pleasure to meet, is giving the Henry George School ever new impetus. By now some of them are very old friends, like Mr. Turner, Mr. Boelens, Herbert Owens, Mrs. Russell and Mrs. Markland.

I was able to visit our friends in Ottawa only by breaking my journey to Toronto; and the fact that Mr. and Mrs. Barber called a meeting at their home on Saturday evening, although they were involved in another function and must have been considerably inconvenienced, shows how our friends will do anything to help. But it was a joy to be with them and Mr. and Mrs. Code, and to meet so many new young people there who would have kept me answering questions for hours if they had not been closed. In Toronto I met other friends at the home of Mr. W. S. Hall and we had a conversational meeting. Naturally, Ernest and Arthur Farmer were there, together with Mr. and Mrs. David Farmer, Mr. Bronson Cowan and several others.

In Chicago I found the movement in the hands of John Monroe and Mrs. Matteson even more vigorous than ever. I attended one of the Commerce and Industry luncheons by means of which John Monroe had enrolled many of the leading business men of Chicago. In the evening I had the pleasure of speaking at a Christmas party to the staunch workers of the movement. I can hardly begin to mention the names of so many friends—Judge Korshak, Mr. Carus, George Tideman and Professor Harry Gunnison Brown. With John Monroe I called on leading business men who are realising that freedom through Georgeism is the only sound policy that will stand against all attacks.

In New York I found Bob Clancy running the Henry George School as intensively as ever. I had the pleasure of attending two end of term functions. At one I had the interesting experience of hearing a lecture on an entirely different topic as a lighter touch for the party, by Miss Dorothy Sara, a hand-writing expert and a sound Georgeist. Another evening I had a talk with them and it was a pleasure to see again so many new young people. Miss Davis, the zealous editor of the *Henry George News*, had me check the script of my remarks for the paper before I left the building. Another example of the initiative and efficiency at that centre. Miss V. G. Peterson took me on the Sunday to visit the school at Newark where Dr. and Mrs. Esty were presiding over a memorial meeting to the memory of the founder of the school at Newark, Mr. George Rusby. The place is a hive of industry. There I met and returned to New York with Lawson Purdy, Lancaster Greene, Mr. Nolan and others. Lawson Purdy at 86 is another wonderful example of Georgeism making for longevity. Veterans of the movement can think of many cases of men having devoted their lives to Georgeism and being as mentally alert and vigorous as Lawson Purdy at his advanced age. He looks good for at least another 20 years and I hope that it may be so. Later, thanks again to Miss Peterson, I had the pleasure of meeting my old friend, Francis Neilson, whom friends in Britain will remember as ex-M.P. for Hyde Division of Cheshire.

Unfortunately, Rupert Mason, the energetic President of the I.U., was tied up with engagements on the West Coast, but he called me twice on the long distance 'phone and reported encouraging enrolments for the International Conference in Denmark in July.

Our friends on the other side are very concerned about conditions in Britain. They constantly asked me if there was any hope of real recovery. I told them that the collectivism which is hampering things so much here is not merely the fruits of the Socialist Government but had been started years before by previous governments. But now the Welfare State is on the verge of bankruptcy, harder times, as in the last century, will probably conduce to more fundamental thinking. And the Georgeist movement is steadily growing and will help to that end.

ASHLEY MITCHELL.

TAXATION BY MONETARY INFLATION

Dear Sir,

The process of monetary inflation may be described as the device by which dishonest Governments levy additional and secret taxation upon their victims, uncovenanted for in Budgets and free from Parliamentary control.

In essence it consists of increasing the liens (currency and Bank credits) upon current wealth production and operates at the expense of the community by correspondingly reducing the value of the liens upon wealth already in their possession.

In addition to carrying the burden of confiscatory taxation at war-time levels, the victims, as the result of this inflation over a period of six years, suffered a loss of 49 per cent in the purchasing value of the currency, i.e., if we regard the value of the pound sterling as 100 per cent in September, 1945, on a Board of Trade Wholesale Prices Index of 166.7 then, in November, 1951, with the index figure at 326.3 the relative value is 51 per cent.

Upon taking office, the new Government found that the volume of floating debt papers in circulation in the Money Market was £1,000 m. This is the raw material of monetary inflation with which Bank credits are built up and increased supplies of currency notes are made available.

As an anti-inflationary measure the Treasury required the Joint Stock Banks to take in and provide a permanent home for half of it. It also directed them to withhold loans on the security of Stocks and Shares.

The fact that a severe slump in Share Values has followed this directive, provides evidence that a considerable volume of stock has been carried on Bank loans and is now being liquidated.

These loans would be made to individuals at rates of 4½ to 5 per cent on stock carrying dividends of 6 to 8 per cent (on market prices then current) and deposited as security. Thus a riskless profitable employment was provided for the inflated Bank deposits, the individual pocketing the difference between the rates, less income tax.

It is laid down in the text books that capital is the result of savings from current production and that interest thereon is the just reward for abstinence. It will be noted in the above connection that whilst the abstinence has been compulsorily imposed upon the community, by filching the value from the money and Bank credits in its possession, the resulting interest has been reaped by privileged persons and institutions.

Yours truly, ERNEST M. GINDERS.

HOUSE FAMINE—WHOSE RESPONSIBILITY?

Mr. STEPHEN MARTIN had the following letter in the *Manchester Guardian*, December 28:—

Your correspondent, Mr. F. J. Pearce, asks who are the politicians who desire to prevent working men from buying their own houses. They are the Tories, who for generations have bitterly opposed all attempts at land reform and the Socialists with their predatory Town and Country Planning Act, which with its restrictive financial provisions and planning powers has brought all private development to a virtual standstill.

The first charge on house building is the speculative price of land and the second is the costs of building materials maintained at a fictitious figure by protectionist devices such as tariffs, import duties, quotas and licensing.

I believe that most men have an inborn desire to have a house and garden of their own and the sense of security that goes with it. This can only become a reality by the introduction of reforms which strike at the root of the problem. If taxes and rates were taken off houses and placed on the unimproved site value of land, the ever-mounting costs of land purchase would disappear; coupled with the repeal of all protectionist legislation and the remission of taxation on production, costs of building materials would be cheapened and houses would become available for sale at prices within the reach of all who desired them.

In years gone by the Liberal party has made stalwart efforts to achieve these fundamental reforms without much success and it is a matter for great regret that it seems to have accepted defeat. To this extent it is equally to blame.