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The Assessment of Real Estate BY LAWSON PURDY

UNDER THE statutes of all the states real estate is taxed on its capital value and provisions are made for its assessment. In some states the county is the unit of assessment and in others the town or city. In many cases assessors are elected, in others appointed.

There are examples of excellent real estate assessments where the form of administration is poor. If it has the will, a city can achieve a good assessment in spite of poor administrative forms. The assessment of real estate is an art which can be learned by study, application and experience.

The rule is general that real estate shall be assessed at market value. This idea is phrased in various ways. A former New York law was to the effect that real estate shall be assessed at "the sum for which it would be appraised in payment of a just debt from a solvent debtor." Some laws say at "full value" and "fair cash value." Judges have sometimes said that these phrases mean the same thing. If a parcel of real estate has no market value we may consider its "full value."

The aim of real estate assessment is to secure such a valuation of each parcel, that the tax imposed upon it shall bear a proper relation in proportion to its value, to the tax imposed on every other parcel within the tax district. To achieve this an efficient administration is required, calling for the employment of skilled assessors, and the use of methods and tools of the profession which experience has shown to be of value. The assessment should be made annually, and assessors should be busy every day in the year—allowing for a reasonable vacation.

Every state should have a State Board of Tax Commissioners to make rules for local assessment and to supervise the work of assessors. The law of New York, as amended in 1915, is a good model. The State Tax Commission in its report for 1945 recommended these additional powers: "that a statute be enacted requiring the adoption and use in all cities of the state, of land value maps and tax maps, index cards of individual parcels of property and such other records and data as are now recognized as essential for a modern and efficient assessing office, with adequate power granted to the State Tax Commission to enforce its provisions."

In every city the assessing department should be directed by one person appointed by the executive head of the city. Associated with him should be two or more members to compose a board of review. In small cities where the duties of the executive head may be light he may engage in other business, but in a large city where his duties are supervisory, he should devote his entire time to this work and have an adequate number of assessors.

According to the report of the Tax Department of the City of New York for 1946-47 about 121 assessors are assessing ordinary real estate, with an average of 6800 parcels for each.



In a district such as lower Manhattan, with very valuable parcels of irregular shape, the number per assessor would be less; also in a district with parcels of many acres. On the other hand an assessor can assess many more parcels where they are small and uniform, with homogeneous buildings.

Assessors should be appointed after a thorough Civil Service examination designed to test their ability to appraise real estate. The appointing power can select fit men from those who pass such an examination. Assessors should hold office as long as they do good work and they should be removable only for cause. In small cities, the city engineer's department may prepare the tax maps, but a large city should provide the assessing department with its own surveyors.

Tax Maps

It is essential to have accurate tax maps showing the dimensions of every separately assessed parcel. In the thickly settled part of a city where parcels are small, the scale of the tax map should be 50 feet to the inch. In the rural section the scale may be reduced to 200 feet to the inch or even more. For country towns very successful tax maps have been made from the United States topographical survey at a trifling expense to the town.

Since 1890 there has been a system in New York of recording and indexing instruments. **Lawson Purdy** has rendered distinguished service to the City and State of New York. The reforms which he introduced while President of the Department of Taxes and Assessments in New York (1906-1917) have been copied by other municipalities, and have had their influence in foreign countries. Mr. Purdy is responsible for the separation of land and improvement values for tax purposes and for the use of land value maps in New York. He was a friend of Henry George and his work has always reflected the influence of "Progress and Poverty" which he read some sixty years ago.

affecting land by reference to a land map which divides the city into blocks having permanent boundaries. The boundaries are never changed unless physical changes take place. Instruments cannot be recorded unless the block number is given—a block is usually about 200 by 800 feet in area. The plan of making the tax map blocks identical with the land map has proved of great value.

A city may be divided into sections of convenient size, each having an area of two or three square miles. These, likewise, should never change and should be numbered consecutively from one up. The division into sections facilitates statistical comparison. The blocks also should be numbered from one up consecutively for the whole city or for a borough as in New York. The blocks should be divided into lots according to ownership and numbered from one up, commencing at the lower left hand corner; and rules are in use for the appropriate marking of changes in lot boundaries.

An assessing department should have two sets of maps; one to be preserved in the office and the other for use in the field by the assessors. The field map may, for convenience, be bound in volumes half the size of the office maps. The length of all boundary lines should be shown on the maps in feet and inches; and on valuable lots of irregular shape, the area should be shown in square feet. On large parcels the area should be shown in lots or acres.

Tax maps should be the basis of the assessment of real estate and it is necessary that if they are so used they shall be accurate. The law should prescribe that the assessment should be made against the land itself and not against the owner. The validity of the assessment of real estate should not be affected by any error in the name of the owner. In the assessment roll, lots should be described by section, block and lot number in accordance with the tax maps, and the law should prescribe that "such numbers shall import into the assessment roll of real estate any necessary identifying description shown by the tax maps."

Field Book

Assessors will find that the use of a field book—which is not the official assessment roll, but is intended solely for office and personal use—will be a great aid. If the block system is in use, the field book will be arranged with blocks in numerical order. If this system is not in use the arrangement should be in similar form so that blocks will succeed each other in an orderly geographical relation.

The field book may be arranged with the following columns: in the first the name of the owner; in the next and succeeding columns the following information: size of lot, size of house, building factor, number of stories, number of houses on lot, house number, lot number, land value, total value, and five additional columns so that the total value may be carried for

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A Word With You

By ROBERT CLANCY

Communism is the top talk of the day. The spread of its influence has reached such proportions that even our "liberals" no longer speak sarcastically of a reactionary "viewing with alarm."

In its early days, communism was something with which the advance guard did not consider it disgraceful to be sympathetic. After all, was it not the revolt of the people, the common man, against oppression? Was it not a throwing off of ancient chains? Surely the people would find the way, no matter what mistakes were made.

Well, perhaps they still will! But meanwhile it is evident that they have taken—or rather, have been forced onto—the wrong road.

Still and all, being merely "against" something—even if it's communism—is not very satisfying. Besides, when one is "against," one is likely to find himself with strange bedfellows. Wasn't it to combat the Comintern that the Hitler-Mussolini-Tojo axis was formed?

What has given communism its strength is that it proposes to *do* something—even if only to turn things upside down. What has given it strength is its most outspoken enemies. The greatest clamor came from those at the top—and whose bandying of the word "freedom" gave that glorious principle a distorted meaning—"We propose to stay at the top."

Thoughtful people today are coming to understand that the only way—not the most effective way, but the *only* way—to quell communism is to offer both abundance and security, with freedom—to "make democracy work," as the saying goes.

Such an offer had better come soon. Our present wan flickering of "abundance" has not eradicated a gnawing insecurity—and there comes a point when insecure people are more susceptible to wild promises than to reason.

The failure and misery of communism to the east of us may cause the insecure to pause awhile—and give us time to reason them into free land, free trade, free men.

"There are many who . . . are animated only by a blind hatred of the rich and a fierce desire to destroy existing social adjustments. This class is indeed only less dangerous than those who proclaim that no social improvement is needed or is possible."—HENRY GEORGE

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VIEWS OF THE NEWS

By SYDNEY MAYERS

Holding that no man can patent "a handiwork of nature," the United States Supreme Court declared invalid a patent granted on a novel bacteriological mixture used by farmers. We patiently await a judicial ruling annulling private patent "rights" in nature's chief handiwork: the earth we live on.

When 100,000 packing plant workers went on strike in support of their demand for a "third round" wage increase, government officials calmly expressed doubt that meat shortages or price increases would ensue. Want to bet, gentlemen?

The South African government proposes increased tariffs to protect local manufacturers against "unfair competition from exporters who sell end-of-season goods at prices far below cost." Obviously, below-cost imports mean more goods at lower prices for the consuming public—but why worry about them when a favored few need "protection"?

Add one vote in support of the Divine Right of rulers—from a somewhat unexpected source. The Patriarch of Moscow nominates Prime Minister Stalin as "the wise leader whom the providence of God chose and set to lead our fatherland."

Lever Brothers Company (chief products: Lifebuoy, Pepsodent, Charles Luckman and Bob Hope) has both reduced its prices and raised its employees' pay, attributing the ability to do so to "the establishment during 1947 of new records in productivity per man-hour." Now, students of Fundamentals, again: Where do wages come from?

The Census Bureau reports that the United States, which has been "over-populated" (according to immigration "experts") for many decades, has reached a new high of 145,340,000 residents. The whirling noise you hear is Dr. Malthus, spinning excitedly in his resting place.

Abandoning their bedside manner (says The New York Times) in an effort to "maintain the integrity of medicine," Britain's physicians are vigorously fighting the National Health Service Act as "dictatorial" and not in the best interests of the public or themselves. Good old Doc—still the stalwart individualist!

In the midst of the political maneuvers now going on, it is to be hoped that action to renew the Reciprocal Trade Agreements Act (a small enough step toward free exchange) will not be neglected. As Gerard Swope states: "This program is vital to United States world trade and European recovery, because it provides the means for continuing economic cooperation among the nations."

Hastily, albeit with some face-saving, Britain has repealed its drastic 75 per cent tax on imported (meaning American) motion pictures. This was brought about, let us note, not by American pressure (Hollywood merely boycotted the avid English market), but by the British movie industry, which was nearly wrecked thanks to the curtailment of trade in films.

Quickly following the work stoppage by 400,000 coal miners, an embargo was placed on all coal exports, and all coal-burning railroad service was cut 25 per cent. Thus we see again demonstrated the economic axiom that we live on present, not past, production.

Observing how increased supplies of goods are bringing the consumer back into his own, Earl Shreve, president of General Electric, comments: "Increasing competition brings lower prices, more purchasing power for buyers, better quality of goods. In the long run, more competition will mean more business."

This Statement Was Used by Land and Freedom

We declare:

That the earth is the birthright of all Mankind and that all have an equal and unalienable right to its use.

That man's need for the land is expressed by the Rent of Land; that if this Rent results from the presence and activities of the people; that it arises as the result of Natural Law, and that it therefore should be taken to defray public expenses.

That as a result of permitting land owners to take for private purposes the Rent of Land it becomes necessary to impose the burdens of taxation on the products of labor and industry, which are the rightful property of individuals, and to which the government has no moral right.

That the diversion of the Rent of Land into private pockets and away from public use is a violation of Natural Law, and that the evils arising out of our unjust economic system are the penalties that follow such violation, as effect follows cause.

We therefore demand:

That the full Rent of Land be collected by the government in place of all direct and indirect taxes, and that buildings, machinery, improvements and improvements on land, all industry, commerce, thrift and enterprise, all wages, salaries and incomes, and every product of labor and intellect be entirely free from taxation.

That there be no restrictions of any kind imposed upon the exchange of goods within or among nations.

ARGUMENT

Taking the full Rent of Land for public purposes would insure the fullest and best use of all land. Putting land to its fullest and best use would create an unlimited demand for labor. Thus the job would seek the man, not the man the job, and labor would receive its full share of the product.

The freeing from taxation of every product of labor, including commerce and exchange, would encourage men to build and to produce. It would put an end to legalized robbery by the government.

NEXT MONTH:

LAND VALUE TAXATION
IN CANADA

by HERBERT T. OWENS

The Assessment of Real Estate

(Continued from Page One)

six years. There may be two land value columns for the preceding and current years.

If entries are made in pencil, obsolete entries in the land value column may be erased to permit the preceding valuation and the current one to appear. Remaining space may be used for conveyances, mortgages, rentals and other information.

Determination of Value

The best evidence of the value of real estate is furnished by a number of recent sales made under ordinary conditions, supplemented by rentals and mortgages. The consideration for a sale is not conclusive. It is evidence, and it may be good or of little value. The circumstances of the sale must be known. Rentals are a good guide to value when properly interpreted. In some locations a lot 100 feet wide is worth much more than four times the value of a lot 25 feet wide. In others there may be little value added by plottage. A corner lot 25 by 100 feet may be worth double the value of an inside lot, while in other locations a corner position adds little to the value.

Assessors are often puzzled by the problems presented by lot developments or subdivisions. A lot developer when able to market his lots quickly must ordinarily receive about three times his purchase price to get fair wages for his labor, recover the cost of marketing, and realize some interest on his capital. If the sale is slow he must get more. Ornamental gate-posts mark the abandoned hopes of many subdivisions that cannot be sold for the arrears of taxes.

Land Value Maps

It will be found in practise that to create land value maps is not only a great help but almost a necessity for the ordinary assessment of real estate. These must not be confused with tax maps, as land value maps do not show separate parcels of real estate, merely the boundaries of blocks. Such a map has the space of the street distorted so as to be wide enough to permit writing in the land value figures. In small cities and country districts it is well to make a wall map or maps to show the whole city. These should be open to public inspection at all reasonable times, and, in larger cities, they may be produced in book form for distribution.

The land value map is designed to show the value of the land per front foot on every side of every square in the built-up portion of the city, and the value per acre on acreage tracts.

These front foot values are called unit values and must always refer to the same thing. It is customary to use a depth of 100 feet as the unit. If, however, lots in the city are generally 125 feet or 150 feet deep, it may be better to use that depth as the standard unit. In any event there must be a standard unit from which there is no departure. The land value unit relates to lots unaffected by corner influence and lying normally with reference to the grade of the street. Under these conditions the unit of value means the same thing everywhere. It is strictly a site value.

Unit values are determined from the best evidence available, such as sales, mortgages, rentals and asking prices. Where it can be done it is an excellent plan to put tentative values on a wall map and get a committee of competent citizens to discuss them and agree.

The necessity of setting a unit value tends to

impose a check upon the use of any particular evidence of value. The unit values must form a harmonious mosaic with all units in proper relation to each other. Every one familiar with a locality will have an opinion as to the relative value of neighboring streets even though he may know little about the actual value on any of them.

Having determined the value per front foot for a lot of normal size, all other lots of the same size will have the same value as far as the unit extends. There are rules established by experience for valuing short lots and deep lots and corner lots of various widths. The assessor should know these rules and be guided by them but he must not be a slave to them. He must use the rules and not let rules use him, but if he departs from the usual rule he must give his reasons. Ordinarily a lot on grade is worth more than one with a hill or a hole, but not always. I have known the owner of a lot with a hole to be paid a good price by the owner of a hill, to be allowed to put the hill in the hole.

Appraisal of Buildings

Assessors should utilize to the full the help of engineers, architects and builders, but they must realize that there is a different problem. Otherwise they will be misled into valuing buildings on the basis of the cost of reconstruction less depreciation, regardless of whether the building is suited to the site or not.

The full value of any building is the sum which it adds to the value of the land. Occasionally one may find a new building so badly planned that the best course to pursue is to tear it down. Such a building has no value. In every growing city there are costly single family residences that cumber the ground because they are no longer suited to the site. When a building adds anything to the value of the land, and is rented, the fair rental capitalized at the going rate will give the total value of the property. If the value of the land is known, deduct the value of the land; and the remainder, if any, will be the value of the building.

It may be assumed that new buildings of the ordinary type, suitably placed, are worth the cost of reproduction. The number of types of buildings is not very large. They should be classified, photographed, the cost ascertained, and the photographs and facts filed for reference. With the help of architects and builders the cost of the various types of buildings should be noted in a manual for the assessors, showing photographs and measurements of such buildings together with their cost and factors of value. For some types the best factor is cost per cubic foot, for others cost per square foot of floor space; and for many cottages the cost per square foot of ground covered serves best. New York and a number of other cities have manuals of this type for their assessors.

The best manual can be very helpful when used by a man of judgment and educated by experience. Obsolescence, for instance, is more important than depreciation. Some old buildings are earning their living well, while some new buildings are worth less. Only judgment and experience, with full knowledge of all pertinent facts, can deal with obsolescence.

Supplementing the field book a card index should be maintained showing all the facts about a property including dimensions of the lot and building, a photograph of important

Recommendations

It is suggested that land value taxation be introduced into our present municipal tax system as one phase of an integrated community plan. The procedure which would least disturb present practise is the placing of a progressive tax on the assessed value of land and the untaxing of all improvements. Extending the principle of scientific assessments and the classification of land according to its potential would make such a scheme comparatively simple to apply. The revision of laws concerning the disposition of tax-delinquent land and the substitution of government grants for tax exemptions would be concurrent reforms of great significance.

The speed with which such a plan should be put into effect is primarily a question of political tactics. Whatever the pace of its introduction, the economic consequences of land value taxation would begin to be felt immediately, since capitalization of the tax would take place at once. Gradual adoption of the new tax, with minimal disruption of established procedures, may appear to be the best guarantee of public support.

It must be remembered, however, that the urgency of the problems here discussed cannot be underestimated. Conservation of the capital resources of the American City and the planned future growth of that City depend in large part upon the intelligent restructuring of municipal tax policy. To delay this restructuring is only to render more difficult the ultimate solution.

—From *The Yale Law Journal*, December 1947, "Municipal Real Estate Taxation as an Instrument for Community Planning." Reprints of the entire article available from the Schalkenbach Foundation, 50 E. 69th Street, New York, at fifteen cents a copy.

buildings, and a record of conveyances and mortgages.

Relation of Assessors to the Public

If assessors are intelligent and industrious they have nothing to fear, and everything to gain, from publicity—both as to methods and details. Owners of real property are apt to be timid and easily irritated, and they are prone to assume that the assessors merely guess at values and are guilty of intentional favoritism. The only way to correct these misapprehensions, if they are untrue, is by publicity. It is desirable to get local papers to print descriptions of the methods of assessment employed and whenever possible to reproduce the land value maps.

For a number of years *The Record and Guide*, the leading real estate weekly newspaper of New York, published the annual volume of land value maps of the City of New York as prepared in the Tax Department. By arrangement with the department, this volume was sent to subscribers to *The Record and Guide* as a supplement, without charge, and was sold to the public for a dollar a copy. The newspaper was allowed to reimburse itself in part by publishing a few pages of advertising. This assured a good circulation to those best able to appreciate the maps and criticize the values. It was good for the Tax Department to know its work could so easily be studied.

The assessment roll should also be published, so that any one could buy it and study it, but the price must be low in order to reach and inform the maximum number of persons, and it must be well advertised. Such things do not sell themselves. Publicity and more publicity is what helps to educate a community and get a good assessment. The proper tools achieve little unless those who use them are competent, responsible and trained for their work. While the theory of assessing can be learned in a short time, proficiency in its practise takes years of experience.

There's More to This Than Meets the Eye . . .

Newark



This is John T. Tetley, newly appointed director of the Henry George School of Social Science in Newark (Tel. Bigelow 8-3742). He was born on the *Red Bank* (that's in New Jersey) but he is clearly not a Red, because most of his business life has been spent in a large New York bank, during which time he studied all courses offered by the Henry George School, then on 79th Street. He taught in New York and later conducted extension classes in a number of New Jersey cities, becoming a trustee of the school in New Jersey. He succeeds Miss Marjorie Sweet who resigned.

Mr. Tetley states, "In assuming the directorship of the Henry George School of Social Science, I feel that I have undertaken a tremendous responsibility. At the present time the activities of the school are limited to a small number of students in a few cities around Newark. It is my hope that with the cooperation of the many people in New Jersey now familiar with the teachings of Henry George, the school may be greatly expanded."

Among plans for the immediate future is a conference of Georgists to advise means of expansion. "First Friday Faculty" is the slogan, as the monthly dinner meetings held on the first Friday of each month gain in popularity. At seven the group repairs to the school for an hour of academic discussion and at eight the business session is opened.

A. M. Goldfinger, Dean of the school, addressed the entire student body of the Carteret High School and was complimented by the principal, faculty members and students. Copies of *Progress and Poverty* and *Economics Simplified* were presented to the librarian of the high school.

Los Angeles

The citizens of the San Fernando Valley upon tuning in the "Valley Town Meeting of the Air" over KGIL recently, heard that "...if the tax rate on the value of land was increased to the point where it would be unprofitable for speculators to hold it out of use, then the sales and rental price for lots and acreage would come down to the point where veterans and others in moderate income groups could easily afford to buy or rent a location for a home, business, or farm. If this were done in the Valley many new people would be attracted here, new businesses would be started, and new homes would be built." The speaker, Mr. Truehart, was a member of a panel discussing "Who Needs a Tax Cut to Make the Valley Grow?"

Another member of the panel, after 25 years of studying the problem, had reached the conclusion that taxes were higher now than they used to be. Another put forth the idea that federal corporations were causing all the trouble, and proposed an amendment to the Constitution abolishing them. The other speaker, representing labor, recognized that sales taxes, income taxes, etc. were unjust. He felt that big business should bear the burden of taxation, as they required the most fire protection, police protection, sewage disposal facilities, and other city services.

A large electric clock, which "gave up the ghost" has been placed in the front window, facing the street, at Newark headquarters. Over the clock appears this sign — "This clock does not show Correct Time. Like the world, it is out of order. NOW is the Correct Time to study economics. Come in and ask about the free course."

It's always encouraging to hear about an enthusiastic new worker. Just such a person is Mrs. Stanborough, who has invited about 25 friends and acquaintances to attend a class in Fundamental Economics at her home this term. Mrs. Stanborough's former instructor, George Lee, will teach the class. [Aren't they lucky?]

Chicago

Members of the graduating class of winter '48 will observe firsthand how the law of rent operates in their own city when on Sunday, April 4, they take Chicago's well known conducted tour of the Loop and South Side. The newly arrived "site-seers" for the first time will appraise the most valuable land in Chicago where 90,100 pedestrians pass in a day; they will gape at a 160-acre share-croppers' transportation farm, a "million-dollar hole," a \$12-per-month apartment where not long ago lived ten families without running water.

The bus tour, the monthly school luncheon, and community-area activities were events announced at the meeting of current class representatives recently at the Central Y.M.C.A. The meeting was arranged to acquaint students with the school's over-all program, and to present an outline of promotional work and support in which they can participate. There was open house at headquarters following the meeting.

Graduates of former terms and friends of the school, were honored guests at two receptions presided over by the trustees and the staff. On February 29th the occasion was in recognition of the aid given by headquarters volunteers in the servicing of the winter term. Guarantors of the school were received at an open house on March 14th. During the afternoon Dean Henry L. T. Tideman read an article by the Hon. Francis Neilson, from *The American Journal of Economics and Sociology*.

Friends of the school were saddened to learn of the death of James Gillespie Guiles on March 8th. He was an instructor and "all-around good fellow" in supporting the school's work. Because of Mr. Guiles' keen interest in the school, Dean Tideman was asked to speak at services held for him.

Graduate interest in the two monthly luncheons has grown. It has been expressed in the reservations marked "For me and a friend." Last month graduates and their friends at the Commerce and Industry Luncheon heard William N. McNair of Pittsburgh speak on "Freedom from Taxation—for Your Community and You." In the address he recounted his experiences as mayor in administering the Graded Tax Plan, and he found that he had to conduct classes in Fundamental Economics so those who were directly connected with the administration would be informed. Myron T. Monsen, Jr., vice president of Monsen-Chicago, Inc., typogra-

phers, a 1934 graduate, was chairman. Charles B. Tuttle, a founder of the Junior Achievement movement, presided at the Weld Carter Luncheon.

After the opening of the spring term on April 19, the school will direct its attention toward the promotion of a great Chicagoland Conference next month.

Ohio

Robert D. Benton, who put us on the news-stands in Zanesville, claims the distinction of having taught the youngest student of economics of all time. She is Penny Mitchell, the 8-months-old daughter of parents who wanted to attend class and couldn't find a baby-sitter. Her instructor writes that she displayed intelligent interest.

Mr. Benton also tells of a college student who said he'd have to quit coming to class or his grades with his Communist professor might be affected, and after all, "he was after grades." And to the question, "What is the tendency of production when interest is high as compared to wages?" a visiting national union representative answered, "They strike."

Albert Edward Payne, Springfield industrialist, sends word that he is reading *More Progress and Less Poverty* by Joseph Thompson, and is finding in it a wealth of good thoughts and knowledge. Charles W. Davis, Jr. of Toledo, is conducting a class in Fundamental Economics in his home at 2200 Scottwood Avenue. (A recent article in *The Saturday Evening Post* stated that "Scottwood Avenue is one of the most beautiful streets in the entire nation." Verlin D. Gordon of Lima, has been invited to address a group of ministers and lay workers in Toledo.

Carl Strack is making the trip once a week from Cincinnati to Hamilton to teach the class which opened recently in the Y.M.C.A. Sponsors and volunteers behind the effort in this city of 50,000 are: Harry G. Helwig, Program Secretary of the Y.M.C.A.; Cyrus J. Fitton, an attorney; and C. A. Brennan, a former instructor. Walter J. H. Schuit of Dayton is seeking to interest the local Great Books discussion group in *Progress and Poverty*. Future leaders are in the making at the Sidney public library. This class consists entirely of young men, some just out of high school.

Philadelphia

The Hungry Club of Philadelphia held its opening meeting at Ewart's Cafeteria, 15th and Chestnut Streets. It was the first real get-together in several months and like all reunions, it was a heart-warming and joyous occasion. From now on, every Friday evening from 6 to 8 o'clock, the alumni and friends of the school are invited to join in the festivities. Good food and good fellowship will be constants on the menu and we can think of no nicer habit to develop than the Friday evening habit of dropping in at Ewart's.

The Philadelphia extension began its spring term with nine classes in Fundamental Economics, seven at headquarters in the Harrison Building, the others at the North Branch Y.M.C.A. and the Y.M.H.A. Classes in Social Problems and Principles of International Trade will be conducted at the school, the Christian Street Y.M.C.A. and the Main Line Y.M.C.A.

In Chester the response to the elementary

course last year was so great, that the extension set up for this term advanced classes in Social Problems and International Trade at the Y.M.C.A. in Lamokin Village. In addition to these, the Science of Political Economy will be given at the school headquarters.

St. Louis

Dr. Harry Gunnison Brown, acting Dean of the School of Business and Public Administration, and head of the Department of Economics of the University of Missouri, was the guest speaker at the commencement exercises held in St. Louis at the First Unitarian Church. His subject was, "Why Communism Threatens."

Ottawa

In completing the study of *Protection or Free Trade* the Ottawa society made many inquiries, one member asking, "Would the world be in such a state of retrogression today if this philosophy were practised? I do not believe it would."

The director gave two quotations from Henry George's book: "Man is primarily an individual . . ." and followed it with, "Brute strength will avail little unless guided by intelligence."

Hartford

"A 2 per cent 'uneared increment tax on the land value of the state' was proposed today in a bill submitted in the special session by Senator Rocco D. Palotti as a 'substitute' for the sales tax," reports the Hartford Times.

Nathan Hillman writes that while they do not expect favorable action on this bill, it will be supported as part of an educational build-up in the State Legislature, from which they expect eventually to achieve results.

New York

Want to learn how to write? Join the class "Practical Writing" to be conducted by Sydney Mayers, whose regular feature in the News, "Views of the News," has been quoted widely from Australia to Canada.

Romola Robb is that pretty blonde in the front office, and because she has had experience with volunteers in Red Cross work, she is determined to make New York's spring campaign a big success. Mrs. Ilse Day is the enthusiastic new Correspondence Course Secretary, and Mrs. Esra Cordes is being firm with those neglected name files.

The latest addition to the Henry George School library is a copy of the Author's Edition of *Progress and Poverty* printed by Wm. M. Hinton & Co., San Francisco, in 1879. This antedates the D. Appleton first edition and is "rara avis," only 500 copies having been printed. Mr. Hinton was a friend of Henry George and had enough confidence in him to undertake the typesetting of the book.

Another important acquisition is the library of the late Henry S. Ford of Camden. This includes many books on economics and has helped us fill several gaps. A first-rate economics reference collection is being built up which visitors are cordially invited to use.

This collection has been formed almost entirely from voluntary donations and these are most welcome. Several duplicate copies have been acquired and these will be gladly sent upon request to extensions with libraries.

The last thing to go in the paper and the first to be dropped is the New York news. It isn't secrecy—just modesty. There's some excellent information available, however, in a pamphlet prepared by Robert Clancy, called, "The School in '47 and Prospects for '48." Why not send for a copy?

It Set Me a-Thinking BY NOAH D. ALPER

"GATHER AROUND, children," said Grandpop, "and I'll tell you a story."

After the children were as snug as a bug in the traditional rug before the fireplace's roaring blaze, Grandpop began.

"In a certain county in Missouri a young couple bought a run-down farm, of which there were many to select from. They were right progressive folks—read good journals and talked to the County Farm Agents a right smart. They culled out of the many farm practices they had learned those most scientific and best adapted to the area in which they lived. In a few years they had the old farm a-humming and the neighbors talking of their success.

"During the winter this young couple read books and articles, especially articles on cooperatives. The glowing accounts of these community projects aroused their keen interest. They read that get-togethers of folks in the community were essential to their success; that dancing, parties and the like were necessary to successful cooperative activities. All this developed neighborly understanding and a desire to work together. Of course there were the more practical aspects of the co-op; the savings of

buying and selling together and the harvest of 'patronage dividends.'

"They could stand it no longer. They must tell their neighbors the story of 'co-ops.' And they did! Every day, by conversation, on the party-telephone lines, by letters, items placed in the local newspaper, at meetings, they repeated and repeated the story. They repeated and repeated the story until they heard what they had hoped for; neighbors saying, 'Let's quit talking. Let's do something about it.'

"And they did. A committee was set up to secure a location for the 'Co-op' store in town. Soon it was selling gasoline and farm machinery; buying feed in car lots; hardware, groceries, dry goods, clothing and shoes. Volunteer workers helped on busy nights—mostly Saturday nights. A few merchants who had served the community for years liquidated their business and retired.

"Well, children," said Grandpop, "this little 'Co-op' grew and it grew. The young folks who started it had seen their idea unfold into an institution whose business ran into millions of dollars a year. Many 'social aspects' had been developed along with it. Schools had been improved due to the fine community spirit in this 'Co-op' area. People came from all over the United States, and from foreign countries too, to see this remarkable community that co-operation had built. Many thought it was the finest 'co-op' for its size in the world.

"But in the thirty years that had passed the original 'co-operators' had aged. Some had died. Children who inherited the land in many cases had other occupations and professions. They did not want to work the land, nor could they live in the community. Many of the land title-holders had retired to their homes in town. Younger men and women had to work the farms. So great was the prestige of the community that there was a large waiting list to buy or rent farms from the 'Co-op' renting agency. People from Arkansas, Kansas, Illinois and Missouri had always shown such a great interest in this community.

"But something had gone wrong, children," said Grandpop. "There was a sort of deadness, a lack of zip compared to that which had existed when your mother and father were growing up. The farms were mostly run by tenants, and owners complained the farms weren't kept up. Some tenant farmers complained it was hard to get a living. The 'patronage dividends' did not seem to help these tenant farmers as they had the owners in years gone by. Some of the old-timers said these newcomers were a lazy bunch and that's why they didn't get along.

"I forgot to tell you the names of the young couple that were the main ramrods in this co-operative," said Grandpop. "It was Smith. I was a visiting Mrs. Smith the other day when Jim, her husband, came home.

"Fannie, I heard him say, 'I just rented out that 160 acres—the old Jones place. I'm getting the highest rent for the 160 in the all-time history of Missouri.'"

"It set me a-thinking," said Grandpop. "I remember hearing Henry George say owners of land tended to absorb the benefits of progress. I can see that until land rent is publicly collected 'co-ops' are a tenant-making device. And I recall that I once heard a man say co-op-entatives were 'a stunt, not a social remedy.'"

Land & Liberty, monthly journal edited in London by A. W. Madsen, is a favorite with American Georgists. Copies still available on request.

Publications Abroad

The Free Trader is published bi-monthly in London by The Free Trade Union. Deryck Abel, Secretary; E. G. Brunner, Director.

Commonweal, another British publication, is the official journal of the Common Land Party, and The Porcupine represents The Manchester Land Values League.

The Free People, printed both in English and Dutch, is a quarterly which has been published in Johannesburg for ten years.

Australia has three monthly publications: The Standard, edited by A. G. Huie, in Sydney; The People's Advocate of Adelaide, representing the Henry George League of South Australia; and Progress, of Melbourne, which represents the Henry George League of Victoria.

The Liberal Leader takes the place of the former Commonweal, of New Zealand. It is a bi-monthly edited by T. E. McMillan at Matamora.

Denmark's Georgists have two publications: Grundskyld (Ground Debt), a quarterly edited by F. Folke; and Vejen Frem, issued weekly. Terre et Liberte (Land and Liberty) has been revived in France by A. Daude Bancel. This is also a two-language paper with a Flemish edition being published in Belgium by M. Cortvriend.

Ons Erfdel (Our Heritage) is published monthly in Holland by A. Sevenster, having also been suspended during the war.

The Square Deal edited by Ernest J. Farmer in Toronto, is the bi-monthly organ of the Henry George Society in that city.

The League for Land and Liberty in Berlin under the leadership of Rudolf Schmidt, is putting up a brave battle for existence. When conditions permit they hope to publish not only a magazine, but Henry George's books.

An Object Lesson

By GEORGE L. RUSBY

A MOST interesting subject for study and reflection is the economic status of the Indians of our southwest.

Roughly, these Indians may be divided into two groups, represented, respectively, by the Navajos and the Pueblos. And these groups present contrasts not ordinarily suspected to exist.

When Mexico ceded that southwest territory to the United States, she was honorable enough to except certain tracts of land which she had previously deeded to the Indians, and which tracts those tribes continue to own today. They appoint their own judges, conduct their own courts and try criminals according to the standards of their own laws. It comes as a surprise to learn of these tracts which, though physically within the borders of the United States, do not in effect belong to us.

These Indians are known as the "Pueblos." And it is with amazement that the casual observer who is familiar with the poverty and general degradation of the Navajos first contacts these Pueblos. Nowhere could we find a more glaring contrast than is here presented, between the effects, respectively, on a given race, of a just land tenure system even when crudely administered, and an unjust system.

Considering their crude methods it is not reasonable to expect to find great wealth among them; but there is enough for all, and those red men give evidence of getting more out of life than does the average white—who, in spite of advanced civilization leads a meagre and starved existence, the chief excitement of which is in the effort to keep a job and make both ends meet.

Only prejudice or ignorance of economic principles could prevent one from here recognizing the direct effects of a prevailing land tenure system. The Pueblos own their lands in common. Every one can have as much land as he wants for use, but no more. Holding land idle, for speculative purposes is out of the question. But there is no such thing as compulsory sharing of product. What a man produces is recognized as belonging to him exclusively.

To cite one illustration of the sagacity and common sense of these native Americans, and their concept of justice: A member of a certain tribe left and did not return. At the time of his departure he had a farm which he had spent several years in developing and bringing to a high state of cultivation. For a long time after he left, the farm lay idle awaiting his return, meantime becoming over-grown and run down. Another member of the tribe took possession and devoted several years more to its restoration. Then a grandson of the original occupant unexpectedly appeared on the scene and insisted on taking possession. He was refused and the case went before the Indian Court.

The judge, after hearing all the evidence rendered his decision: "Yes, it is quite fitting and proper that you should have your grandfather's old farm; but this other man has spent much time and labor restoring it. Go, you, get a piece of wild land, develop it and improve it as this man has done with your grandfather's farm, and then exchange with him."

"Lo, the poor Indian!" How much we might learn from him!

Pre-Georgian Justice

By LANCASTER M. GREENE

THE INDIANS of 19 pueblos (villages) have a record of centuries of peace among themselves and with their neighbors, says Philip Lucero, the sheriff of Isleta—a pueblo 13 miles from Albuquerque.

"Why have you been more peaceful than the Navajo, Shoshone, Blackfeet or Pute?" I asked Mr. Lucero.

"We have a different way of living," he replied.

"Do you believe in private property?"

"Oh yes, indeed," he said. "We think that what a man builds is his and what he grows is his after he pays any loans. For our community we collect rent for the land he uses. See that house and that store over there? They belong to those who made them, but they pay rent for the land."

"How does a youngster coming into your world get a start?" I queried.

"We allot him a tract of land as soon as he is ready to work it. When he wants to build a home we let him have the site, and he owes rent to Isleta Pueblo for the site. He has just as much right to the earth as the rest of us; as much right to the sun, the wind and the rain. We own 147 square miles of land here, with some of those mountains to the east included. We own all this together, but each owns the results of his work individually. See that mountain? It has fine timber, and we sold a lot of it and the money belongs to each of us—we are demanding this from the Federal Government who are holding it. I want you to meet our oldest Councilman, Mr. P. J. Lente, who knows more about our traditions and our problems than anyone. You see we are self governing and we elect a governor, two sheriffs and 12 councilmen."

Mr. Lente told us the Isleta's greatest worry is over a bill to make Indians citizens of the USA. They have held long meetings over the fearful possibilities, for they may become liable for our kinds of taxes and lose their equality of opportunity, and with it their peace with one another and their self-government.

The proceeds of their recent timber sale for about \$7,800 are being held by the United States for Isleta "emergencies." The Isletas say this sum belongs to them and they are the sole judges of what an emergency is. They are not wards of the United States like many other Indian tribes but independent equals.

Alert young Pueblo Indians read of the millions in oil received by certain individual Indians in tribes which parcelled their land to one generation of individuals in perpetuity, gave up ground dues and substituted income taxes. They are weighing the internal war in their tribe and its disintegration against the possibility of personal advantage to themselves. So far the adventurers have been told to try the USA where there is strife and tension between man and man, where prizes await a few, and where children are not assured of the equal opportunity which is their inheritance in a pueblo. The Pueblos have lived the same way for 400 years at least. It is to be hoped that they can achieve some of our "progress without poverty," retaining the basis in their ground dues and private property in the products of labor.

"What Unemployment?"

By DONALD MACDONALD

THIS IS the story of Tommie Jackson, Tinneh Athabaskan Indian of the Upper Copper River—an aborigine in a country where the older tribesmen still have their noses pierced for rings, where the bow and arrow is still used to save valuable ammunition. Nez Coy, which means The Questioner, was his Indian name, for Tommie was by way of being a philosopher and his method was the Socratic one—he asked questions. . . .

One day we were out blazing a trail. We had our lunch wrapped in a newspaper. It bore the flaming headline "Unemployment Crisis." The big word struck Tommie's eye immediately. "Now what she mean?"

"Well," said I, "unemployment means no work. White man think work very good—he fix it so almost everybody has to work."

"No savvy me how white man think work good," he said.

Apparently Tommie had a grasp of the basic fact of economics—that man seeks to satisfy his desires with the least exertion—more than most college graduates seem to know. "Well," I said, "Tommie, I told you this was going to be tough—but white man fix it so you have to work. He gives all the Caribou to one man, all the foxes to another man, all the fish to another man, all the trees to still another, and you have to pay \$5.00 before you can kill a Caribou or a fox, cut a tree or catch a fish. So then you have to work to get the \$5.00."

"I know what I do," said Tommie, "I sit down."

"Oh no, Tommie, one man own all the sitting-down places. You have to buy a place to sit down or pay so much every day. White man fix it so you have no place to sit down—you keep moving. Such men, without place to sit down, who keep moving we call 'bums.' You heard that word at the trading post."

This thing of buying a place to sit down (a home) had Tommie completely flabbergasted. After considerable thought, mutterings and growlings in his own guttural tongue, he burst out "How he get that way—one man own all the sitting-down places, the trees, the Caribou—you tell me that."

"Well," said I, "maybe so Government fix him that way."

"Huh," said Tommie, "Me hear much about him, never saw him. What does he look like?"

I had to explain government. "Maybe so all same your Chief."

"Our Chief," said Tommie, "He Chief to do us good—not bad—our Chief us bad we kill him quick. White man think unemployment bad damn fool him."

Many days Tommie Jackson Nez Coy worried over the white man's system. He saw men drive stakes to hold mining ground. He saw the trappers pre-empting his hunting grounds. He saw the terrible system coming. He sked me whether white men all thought it right to charge for sitting down places. So I told him the story of Henry George, and now there is a little Henry George Jackson on the Upper Copper River. But still the question came, and so the end. Tommie Jackson, the Questioner, killed himself. "He think too much," the other Indians said.

—Reprinted from The Freeman, Nov. 1938

Some Important Axioms

By JOHN CROWELL LINCOLN

OUR PRESENT method of taxation taxes, or fines, people for producing employment and doing those things everyone wants to have done. This is being written in Arizona. In this state, there are many prospective mines that are held by the owners for high prices. They are assessed at nominal prices and contribute practically nothing to the revenue of the state. However, if someone opens up one of these mines and starts to give employment, the county assesses taxes, the school district assesses taxes, the state puts on more taxes, and if the enterprise is really successful, the Federal Government takes nearly half of the profits. All of these taxes act as fines to prevent an increase of employment. In 1935 and 1936, I put up Camel-back Inn on the desert in Arizona, thereby giving employment to about 200 people for a year. The operation of the inn, gives employment to many people, from year to year. For doing this, we are taxed over \$50,000 a year. The high cost of living demonstrates that a large part of these taxes are passed on and paid by the consumer.

In the United States, we have political, religious, and personal freedom and, a hundred years ago, a large measure of economic freedom; and we all know how much better this country is to live in than most European countries. A hundred years ago, there was free land in the United States, and therefore, a greater measure of economic freedom than we have now. The Creator provided land for the benefit of all. Our land system has made it practically impossible for over 90 per cent of our people to own land. Land values are so high that only a privileged few can afford to own what the Creator provided for everyone. The chief cause of unemployment, poverty, depressions, and the unjust distribution of wealth is that our land-holding system enables land-owners (non-producers) to appropriate half the product of the land-users for the privilege of using the land. This is wrong. This is stealing on a gigantic scale, and the penalty of the moral law is eventual destruction for every society that permits it. Obedience to moral law demands that society provide religious, political, personal, and economic freedom for the individual. The United States has provided the first three, and a comparison between the United States and Russia shows that the rewards of obeying the moral law are great. Unless we provide economic freedom in the United States, it is probable that we will not have the other freedoms we now possess for long. For many hundreds of years, England has been a freedom-loving country; but the English people are permitting a bureaucratic government to try to control the distribution of wealth, which cannot be done without a dictatorship. The community has a right to control the distribution of its land, because it is, by its nature, common property. The community has no right to control the distribution of wealth, because it is, by its nature, private property.

All of us are land-users. Life is not possible without the use of land. The food we eat, the clothes we wear, the houses we live in, the automobiles we travel in, came from land a short time ago, and will decay into land very quickly. Only a few of us are land-owners. When a few

of us own what all of us must use, most of us are "over a barrel" and have to turn over to the land-owner a substantial part of what we produce in order to live.

When the Creator made the world, he provided a job for everyone that came into the world. That job was to provide food, clothing, shelter, and all the other things that men live for from land, which the Creator provided for everyone.

A man has economic freedom when he can get enough land in order to produce what is necessary to keep him and his family alive. As long as there was good, free land in the United States, we had a considerable measure of economic freedom.

Economic freedom is denied when a land-user is compelled to pay the land-owner half of what he produces for the use of the land.

Economic freedom exists only when the selling value of land is zero. In civilized countries with a considerable population, the price of land can be zero only when the community collects all the community-created ground rent.

The United States has religious, political, and personal freedom, and that makes the United States a better place to live in than Russia, where they are denied. But if the United States would grant economic freedom, which is the freedom to earn a living, the United States would be a much better place in which to live than it is now.

Other things being equal, an able general always defeats one less able because he uses his men and materials to better advantage than his opponent. For the same reason, an able man at the head of a business can produce goods or wealth cheaper than his competitors and therefore gets the business.

The capitalistic system of conducting business is better than the socialistic or communistic systems because the capitalistic system automatically puts the most able man at the head of the business. In the capitalistic system, the less ably conducted businesses go broke and

disappear. Competition permits only the more ably conducted businesses to live, and therefore the public gets what it buys at the lowest possible prices. To see that this is true, one has only to compare the standard of living in capitalistic countries with that of socialistic or communistic countries.

The standard of living in the United States is the highest of any large country in the world because there is more freedom for the production of wealth in the United States than there is in England, for instance. Also the laws of the United States interfere less and clog the production of wealth less than the laws of any large country in the world.

The laws of the United States deny complete freedom in the production of wealth. If the laws did not interfere in any degree with the production of wealth, the income of the average family would probably be five times what it is now. Our tariff laws greatly retard the exchange of wealth between people in the United States and foreign countries, thereby raising prices in the United States from 10 to 25 per cent. The greatest decrease in the production of wealth is caused by the injustice of the laws which permit land values to arise, thereby preventing 90 per cent of the people born in the United States from being able to get at the land the Creator provided for them, and from which all food, clothing, and shelter must come, together with everything else that man uses.

The man-made laws which made slavery legal were unjust because they permitted the slave-owner to appropriate most of the wealth the slave produced.

The man-made laws which permit land values to arise are unjust because high land values enable the land-owner to appropriate a large part of the wealth produced by the land-user. By the nature of things, no one can live without being a land-user. Land values arise because the land-owner is permitted to collect most of the community-created ground rent.

(THE END)

How I First Became Interested in Henry George

In the middle eighties, when I was about eight or nine years old, a boy companion, a few years older than I, explained the basic principles of single tax to me.

It all seemed very self evident to me then. As I became older (and more civilized) I learned much about economics that is not true, and that had to be unlearned later.

In 1914 I read some socialist literature, given me by the state secretary of the Socialist Party. I am a park gardener by occupation, and studied economics, strictly from the land angle. The result was that I rejected all collectivist and planned economy as contrary to the natural order of economics and democratic principles.

After hearing a speech on the Georgist philosophy, I was induced to read *Progress and Poverty*. In the course of reading I bitterly resented the reasoning which virtually accused me of robbing society by appropriating the increment of land value in land speculation; but when I came to the part where Mr. George explained how single tax would cause population to spread out where it is too dense, and gather together where it is too sparse, I was convinced.

626 Seamore St.
Norwalk, Calif.

(Signed) WM. BURGNER.

This is the first winning contest letter selected by Noah Alper of St. Louis. The winner will receive a year's subscription to the Henry George News.

Mr. Rusby Has Extended His Subscription Three Years!

Two-Gun Grant Rides Again . . .

When two giants such as Mr. Rusby of Newark and Mr. Goeller of Endwell, N. Y., charge at each other, brandishing the words of George as weapons, only a fool would dare join in the fray. Since "fools rush in where angels fear to tread" and I am no angel . . .

I have long respected Mr. Rusby for his logic; and I have loved Mr. Goeller for his thorough knowledge of George's books. Yet I must take issue with both; for in their arguments they have fallen into the morass against which Henry George warned. It seems to me after checking "the books" that George was in complete agreement with both; and that the difference in opinion lies in both Mr. Rusby and Mr. Goeller using the same words to speak of two different things.

For example, when Mr. Rusby says, "It thus becomes self-evident that economic rent can attach itself to that land only which is being used in the production of wealth—that it is quite unrelated to either land that is idle, or that is being used in consumption," that this fact is indeed self-evident is sound logic. If economic rent is, as George says, that part of the product, etc., it must follow that where there is no product there can be no economic rent. An analogy might be if orange juice is the liquid part of a fresh orange, where there is no orange there can be no orange juice. Mr. Rusby, it should be emphasized, is speaking of economic rent, Ricardian rent.

Mr. Goeller takes issue with Mr. Rusby and insists that there is a rent potential on land that is idle or is used for dwellings. I must agree. George speaks of this rent potential on Page 166 of *Progress and Poverty*, as follows: "Wherever land has an exchange value there is rent in the economic meaning of the term. But in *The Science of Political Economy* George quite emphatically tells us that land does not have an exchange value; but rather a value of obligation, and he further tells us in that same book that political economy is not concerned with any value other than exchange value. That lets land out as having any value whatever in political economy. But in economics, which George tells us is quite a different thing from political economy, land does have an exchange value, and on page 167 of *Progress and Poverty* George tells us, "Rent, in short, is the price of monopoly." It should follow: an end of monopoly would mean an end of rent. Obviously, George does not intend to say that rent is part of the product in one breath and that rent is the price of monopoly in another, and mean by *rent* the same thing in each instance. George is too good a logician for that.

Moreover, on Page 165 of *Progress and Poverty* he tries to make quite clear that the term rent as commonly used has several meanings. To continue the quotation referring to land having exchange value, "Wherever land having a value is used either by owner or hirer, there is rent actual. Wherever it is not used, but still has a value, there is rent potential. It is this capacity of yielding rent which gives

value to land." Here again it becomes evident that George is not speaking of economic rent, *i. e.*, the excess of its product over that which the same application of labor can secure from the least productive land in use. He is speaking of monopolistic or speculative rent.

To compare the two arguments again, it should be apparent that Mr. Rusby is speaking of the Ricardian economic rent and Mr. Goeller is speaking of George's *speculative or monopolistic* rent, or as the current economics textbooks refer to the latter, *contract* rent. For those interested, George in his *Land Question*, Etc., under the chapter entitled "The Condition of Labor" discusses these various "rents" at some length. It is this part of George, I believe, upon which Mr. Goeller bases his argument.

While I am in a jousting mood, another article in the same issue of the Henry George News, by Mrs. Hansen, seems equally worthy of attention. Mrs. Hansen seeks to prove by means of statistics that rent does not take the lion's share of production. George doesn't say that rent does. George does say, however, that the idea of wealth—as well as wages, interest, and rent—are abstract terms. And elsewhere in *Progress and Poverty* he warns that abstractions cannot possibly be measured or expressed by means of statistics. If wealth is indeed an abstraction it cannot logically be expressed percentage-wise or in dollars as Mrs. Hansen attempts. Most logic textbooks devote more space than I dare to usurp here to explain why. It is as impossible as it would be for a mother to divide her love, another abstract idea, into 40 per cent for her husband, 30 per cent for her child, and 10 per cent for her vulgar sister-in-law. It just can't be done! Logic and arithmetic forbid it. Algebra, which does not tolerate statistics or percentages, is the tool for expressing abstract ideas.

The terms "Wages," "Interest," and "Rent" are good economic terms; but as used in the headings of Mrs. Hansen's analysis, they do not even remotely resemble Henry George's concept of wages, interest and rent. As for "Total National Income," that term similarly lacks meaning to the political-economist for he, George says, does not concern himself with national income but with *world-wide* income. It seems that Mrs. Hansen insists upon making two almost totally unrelated studies, economics and political economy, sleep in one bed whether there's room for both or not.

But more important, George did not say the rent takes the lion's share of production as Mrs. Hansen seems to believe; but that rent takes an ever-increasing share as production increases and thus causes wages and interest to fall as a proportion. That is quite a different thing! And since the landowner has no moral right to even the smallest part of what he takes no part in producing, there seems little point in compiling statistics to prove him *less* a thief.

And now that Rusby, Goeller, and Hansen—three of my favorite Georgists—have felt the sting of my pea-shooter, let me, the fool "who plunges in where angels fear to tread" await the lightning bolts that needs must fall upon such insolence.

PHILIP GRANT
New York

From Milk River . . .

I am enclosing payment for my subscription to your valued publication. If I was to offer a word of advice it would be to simplify the articles. The public is uninformed as to the cause of inequality in the distribution of wealth.

Henry George stated that in his opinion this is due to the fact that individuals and corporations are allowed to appropriate economic rent without paying to society the full annual value of the special privilege they enjoy. He further explains that the dictates of natural law provide that economic rent must absorb a constantly increasing proportion or percentage of all wealth produced. If this is not true his whole philosophy falls to the ground.

George's suggestion to bring about economic justice via taxing land value has diverted attention from his explanation of the cause of poverty. It has drawn attention toward taxation practises and the effort has degenerated into a land and tax reform movement only.

Here, to my mind, is the whole case in a nutshell: Mother Nature divides all wealth or production into three funds—wages to labor, interest to capital and economic rent to those who have been granted special privileges.

With the progress of society all of these funds tend to increase in amount. Wages and interest tend to decline as a proportion but rent constantly increases not only in amount; it absorbs a constantly increasing proportion of all production. Why waste efforts in an appeal to tax land values? Land value will decline to zero if rent is appropriated by society as it is simply the capitalized value of special privilege.

If this fund is sufficient to defray public expense all taxation could and should be eliminated. Those who held titles to land or any other form of special privilege would be as secure, or more secure, than as at present. These grants would be retained or acquired by those best able to exploit them to the greatest advantage.

I would appreciate comments from students of George.

FRED PEASE
Milk River, Alta.
Canada

Student Comments on Progress and Poverty

In these perilous times in which we live it behooves all men with a little leisure and a little intelligence to try to save civilization. In this age of so much confused thinking, the remedy is so simple as to be almost frightening. The force and rightness of Henry George's logic is overwhelming, and everything in one's self responds to its rightness. The message must be carried to great numbers of people and then the force of its truth must prevail.

After a lifetime of omnivorous reading I have found no books which have made so profound an impression upon me, which have so clarified my thinking, and which have so altered my slant on world affairs in general.

MRS. LILLIAN ROBINSON
New York