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Land Value Taxation in Canada

By HERBERT T. OWENS

IN RESPONSE to a demand for information as to the scope of land value taxation in Canada, this article shows the extent of Canada's adoption of this principle. Broadly, from Ontario to the Atlantic it is the practise to tax land and improvements alike. The total or partial exemption of improvements is not practised until the western provinces come under review. Region by region the situation follows:

Maritime Provinces

(Nova Scotia, New Brunswick and Prince Edward Island)

The Maritimes do not assess land and improvements separately in their published statistics. These are lumped together as real property, and the combined total is taxed for municipal services.

Quebec

In this province the practise is similar, with the exception that in Greater Montreal land and improvement values are separated. Montreal and its environs, however, comprise the bulk of Quebec's land values, so that the assessment situation here is better than in the Maritimes.

Ontario

In a survey from the east coast to the west this is the first province where province-wide assessment figures for land and improvements can be had. The economic rent taken for municipal purposes is therefore ascertainable. Circum 1920, the assessment act was amended to provide that, where local option polls so decided, municipal councils were bound to tax land values and to grant total or partial exemption of improvements, and several towns took advantage of the opportunity. After a brief span of power (1920-23) the sponsoring government fell, and its successor repealed the reform, and its reinstatement has not so far been advocated by any political party.

Manitoba

Land and improvements are separately assessed and taxed, and here, for the first time, there is a province-wide exemption of one-third of the assessed value of buildings. Another new principle appears here in that farm homes and buildings are entirely exempt from taxation, which practise has obtained since 1894. In some cases new homes and industries are specifically exempted from taxation for a definite period, usually five years, but this latter is a concession mainly to induce the providing of housing. The Hudson Bay's port of Churchill was acquired from private owners by the Dominion government some years ago, and land tenure there is on a rental basis.

Saskatchewan

Here also farm improvements are not taxed, a practise that has prevailed since the setting up of the province in 1905, and possibly earlier. Revenue for rural municipalities comes from a tax on the value of land only, providing that the land is used for agricultural purposes. In urban municipalities, where the population does not exceed 15,000, the law requires assessment



of buildings at 60 per cent of their fair value. In cities of over 15,000, it is optional whether or not they use the 60 per cent. All cities in this class, with one exception, exempt buildings 40 per cent. The exception, Regina, the capital, exempts improvements 70 per cent. The present Cooperative Commonwealth Federation (Socialist) government has withdrawn all Crown (public) lands from disposition by sale or homestead entry, and such lands may now be disposed of by lease only. Tenure of leases is for a period of 33 years, and leases may be renewed. The lessee may bequeath his interest in the same manner as if he held a title. Improvements belong to the lessee, and upon expiry of the lease he may either sell them privately or turn them over to the province at an appraised valuation. Rentals are payable on a share-crop basis, but are not exacted in any year of a crop failure. Veterans of the last war can lease land with option of purchase after the lease has been in force ten years.

Alberta

From its inception, Alberta has exempted "from assessment and taxation" farm buildings and other farm improvements on farm lands. In the case of towns and villages, land and improvements are required to be assessed at their fair actual value, but towns or villages have the right each year to decide whether "the whole or a percentage of the fair actual value of the buildings and improvements on land shall be exempt from assessment and taxation." Under this provision, four villages—including the aggressive and well-publicized Milk River, not

far from the boundary of Montana—now exempt improvements 100 per cent. Each of the seven cities of Alberta operates under a separate charter. Exemptions of improvements in these range from 20 to 50 per cent. The two largest cities tax improvements (1946) as follows: Calgary, 50 per cent on all improvements; Edmonton, 50 per cent on homes and 60 per cent on commercial buildings. For some years Alberta levied a provincial tax of 2 mills on land values, which levy was raised to 3 mills in 1936. The proceeds were used for the provision of medical services, mothers' allowances, etc. It yielded about $1\frac{1}{4}$ millions annually; but was abolished by the Social Credit government in 1947. Veterans may obtain farms of 320 acres free for the first three years, and one-third crop share for the next seven years, when full title is procurable. Certain other Crown lands may be had on a lease basis—crop-share payment over a period of ten years.

British Columbia

For practically half a century, the law has permitted local option in the matter of the total or partial exemption of improvements. The trend, however, has been away from the total exemption of improvements. In 1914, 40 municipalities, including Vancouver, exempted improvements 100 per cent; in 1932 this category had declined to 13; while by 1946 the number had dwindled to 3. In 1914, 17 municipalities exempted improvements 50 per cent; in 1932 this group rose to 44, including Vancouver; and in 1946 there were 64 municipalities taxing improvements 50 per cent. In 1946, 20 municipalities exempted improvements from 60 to 90 per cent, so giving them a better break than the prevailing 50 per cent; but 8 municipalities, including Victoria, the capital, exempted improvements less than 50 per cent. New Westminster had consistently exempted improvements (all fruit trees situated on farm land are exempt) and farm homes and buildings in British Columbia are exempted to the extent of \$1,500; assessed value above that figure pays the locally-prevalent rate. In unorganized districts, farm improvements are totally exempted; there is, however, a school tax on 100 per cent of land assessment and 75 per cent assessment of improvements. Residential property is taxed 1 per cent on 100 per cent of land and improvements. At the moment, due to various pressures, the situation in this province is fluid. A royal commission of late has recommended that taxation of improvements should be uniform and be raised to 75 per cent. What the outcome of this retrograde proposal will be remains to be seen.

"It was not the single tax that failed" (in Canada), wrote Herbert T. Owens of Ottawa, world traveler, lecturer and writer. "The tax did have the effect of expediting the return to sanity after one of the most frenzied orgies of speculation that ever struck this continent."

A Word With You

By ROBERT CLANCY

After reading about the exasperating events on this planet of ours ---events that make the planet seem far from being "ours"---we turn from the newspapers in disgust and wish we could escape to the moon for a while---just a little while...

But hold! It says here that two forward-looking Pennsylvanians have filed a claim with the Land Office for ownership of the moon. So it wouldn't be such an escape, after all!

In a sympathetic reply to the would-be moon barons, the Land Office maintained that the United States did not have jurisdiction over the moon and could not therefore ratify the claim. The reply noted, however, that travel to the moon is not so remote a possibility as to make the claim fantastic. It proposed that when, as and if the United States annexed the moon, it would set up a land office there, and then the claims could be filed.

This is a dark prospect. We always thought of the moon as the common property of dreamers, lovers and poets---which all of us are at times. That bright spot in the sky, at least, could not be filched from us. A rude awakening! The Man in the Moon will be given into slavery, bartered, gambled with. His left eye will belong to the Crater Beryllium Company, his smile to the Lunar Molybdenum Association.

The earth is much bigger than her satellite, and when you're on the moon you get a wonderful view of that such a view will shock the lunar settlers---and the Land Office---into realizing that the great globe has been parcelled out to (or seized by) a small percentage of its inhabitants? And that even this small percentage has divided itself into opposing camps contesting who shall control what?

Alas, even though we're still short of space travel, we have made no less startling strides with our inventions without coming closer to social sanity. Will a lunar trip, then, cure our lunacy?

Still, it is comforting to speculate that when we have advanced enough to be cruising around in space, we should also have advanced enough to prevent the choice spots in the universe from being appropriated and exploited by a piratical, tyrannical minority.

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VIEWS OF THE NEWS

By SYDNEY MAYERS

The phenomenal popular success of the so-called Kinsey Report suggests the possibility of a similar scientific treatise on a quite dissimilar subject. The title might well be *Economic Misbehavior in the Human Species*.

Representative Gore of Tennessee describes Congressional action on the 1948 tax bill as "the enjoyable luxury of voting for tax reduction." We are glad the Congressman was pleased, but we believe even more enjoyable will be the "luxury" of Joe Taxpayer when a less excreciating bite is taken from his wages.

An article in The American City magazine details a Pennsylvanian plan for public and private enterprise to cooperate in dwelling development, through a National Housing Corporation, which, to avoid large cash outlays to buy land, may lease it from landowners at moderate (sic) rentals. We can think of better words to describe unearned private rent collection than "enterprise."

As a result of the imposition of a 15 per cent tax on gross film rentals, reports The Film Daily, the supply of American motion pictures has been cut off in British Guiana. Has Great Britain so soon forgotten the recent dire effects of a similar levy in the United Kingdom---and how quickly it had to be repealed?

A New York Times dispatch from Edinburgh discloses that Scotland seems freer and less inhibited by the restrictions of post-war austerity than England. Perhaps this may be explained by a common remark the writer repeats: that the "dead hand of bureaucracy" does not rest as heavily upon the Scots as upon the English.

In recent years, a Society of Industrial Realtors survey shows, improvers of industrial properties have been borrowing needed funds from big insurance companies. A comment by E. M. Boerke, the society's mortgage finance committee chairman, is revealing: "High income tax rates discourage the purchase of stocks by normal investors and this forces more and more industries to rely on debt financing for expansion programs."

To avoid paying exorbitant rent for land on which it had built a 16-story hotel, a Cleveland firm had to buy the land for over twice its value. Holding that the excess in the purchase price was actually a consideration paid to escape a burdensome rental obligation, the United States Circuit Court of Appeals ruled the overpayment to be deductible income for tax purposes---thus recognizing that the privilege inherent in private land monopoly involves not rent or land value, but pure appropriation.

The new British budget, despite a general easing of certain imposts, aims at a surplus of \$1,276,000,000, due mainly (we quote Sir Stafford Cripps) to American aid under the European Recovery Program, i. e.: American taxes. Have we subdued our historic credo concerning taxation without representation---or do we get a few seats in Parliament for our money?

A noted novelist echoes a truth pointed out by Henry George 69 years ago. Writes John Steinbeck in his new novelette, *The Pearl*: "It is said that humans are never satisfied, that you give them one thing and they want something more. And this is said in disparagement, whereas it is one of the greatest talents the species has and one that has made it superior to animals that are satisfied with what they have."

Another Marshall Plan must be ready by 1952, or the beneficiary nations will have to reduce their purchases of American goods drastically below the pre-war level---so reports the United Nations Economic Commission for Europe. Imagine telling the corner grocer: "If you don't give me the money to use, I won't buy any more groceries from you!"

A new and sharp-toothed law requires all employers of Pittsburgh residents, whether located in or out of the city, to deduct from wages paid a \$5 per capita tax for schools. The local Post-Gazette reports that the city is now studying the problem of how to collect the tax from the unemployed.

Coming Events

Come all you New Yorkers (friends from 47 other states welcome, too!) to the Henry George School banquet. It will be held Wednesday, June 23, 6:30 p. m., at the Aldine Club, 200 Fifth Avenue, on Madison Square. Our honored guests at this occasion will be Harry Gunnison Brown, Professor of Economics at University of Missouri and Henry L. T. Tideman, Dean of the Henry George School at Chicago. Rev. W. Wylie Young will be chairman and there will also be student speakers and entertainment. All this and a good dinner for \$4.00. In these days of inflation, it's a bargain! Don't miss it.

Mark this on your calendar, too: The Annual Conference of the Henry George School will be held in Chicago again this year on July 23, 24 and 25. Meetings and dinners will be in the air-conditioned Sheraton Hotel, 505 Michigan Avenue, one of Chicago's best. Visiting delegates will also be accommodated at the Sheraton. The conference this year is bound to be interesting and stimulating. The past year has been a fruitful one for all the Henry George Schools, and most of the extensions will be represented. Other Georgist leaders will be billed, too. Look for further details in the June Henry George News.---R. C.

What We Stand For

We hold that all men should have equal access to the natural resources of the earth on which and from which all men must live; and that all men are entitled to own and enjoy or exchange the fruits of their own labor.

To this end we advocate that all taxes on the fruits of labor and all restrictions on trade be abolished; and that in place of these taxes, the full rental value of land be taxed for public use.

With the rental value of land publicly collected, all men will have access to land and natural resources on the same terms; and with taxes abolished, all men will be able to enjoy the full fruits of their labor.

NEXT MONTH:

HOUSING and LAND

BY

HIRAM B. LOOMIS

Is Economic Freedom Possible With High Prices for Land?

By JOHN C. LINCOLN

ECONOMIC FREEDOM for an employee means the freedom to work for whom he will as long as he wants to, and the freedom to join with others to strike if he wishes. This measure of freedom exists in capitalistic countries such as the United States, but is denied in totalitarian countries such as Russia. The secret police in the U. S. S. R. make strikes impossible, and make it difficult—if not impossible—to change bosses and places of employment.

In addition to denying economic freedom, the secret police make political, religious, and personal freedom out of the question. The struggle to establish personal, religious, and political freedom in the capitalistic countries of the world was a long one and should never be lost.

Economic freedom makes it possible for one to quit working for any one and to start working for himself. When a person starts working for himself, he is economically free only if he is allowed to keep what he produces for himself and is not compelled to give someone else a large part of what he produces for the privilege of keeping the rest.

The laws in capitalistic countries deny economic freedom to the extent that it makes it necessary for one who works for himself to surrender to someone else up to half of what he produces for the privilege of producing anything. Let us see how this happens.

When a person works for himself, the most important things he works for are food, clothing, and shelter. To produce these necessities of life, he has to use land. The prevalent high prices of land make it possible for the landowner to ask—and to get—from the person who wishes to work for himself about half of what he produces for the privilege of using the land.

It is clear that the laws in capitalistic countries that make possible high land prices, deny economic freedom to the individual to this extent. The question arises, why do we have high land prices? This is being written in Phoenix, Arizona, and what has happened here in the past six years, and what has happened to land prices in Los Angeles, California during the same time is an illustration of how land prices have risen. In Phoenix during the last six years, the population has practically doubled. Everyone knows that doubling the population is the reason for land values being more than doubled in value what they were worth six years ago.

Let us suppose that land values in Phoenix are \$100 million more now than they were six years ago, due to the increase of 100,000 in the population. Then each person coming into Phoenix in the past six years has increased land values by \$1,000. Now this \$100 million has not gone to the 100,000 increase of population that produced it, but to the landowners who had the land before the 100,000 came. In other words, landowners in Phoenix are better off by \$100 million that they did not produce. If ordinary interest rates are 5 per cent, an increase of \$1,000 in land values in a piece of land is equivalent to an increase of \$50 per year in a rental value. Five per cent of \$100 million is

\$5 million. This means that the landowners in Phoenix are able to charge and get \$5 million a year more for their land than they were before the 100,000 extra population arrived.

The city of Phoenix derives only a small part of its income from tax on land values. Let us suppose this is 10 per cent. On the \$5 million per year that the landowners get due to the increased population, the city collects \$500,000 and leaves \$4½ million in the pockets of the landowners. This raise of \$100 million in the land values of Phoenix makes it possible for the landowners to get a larger proportion of what the land user produces for the use of the land. Is it not evident that what the community produces belongs to the community and should be collected for community expenses? It is due to the fact that for the United States as a whole the community collects only about 10 per cent of the amount produced by the community and allows the rest to be collected by the landowners, that the landowners are able to collect such a large proportion of what the land user produces for the use of the land.

Experience has shown that for the use of agricultural land, the landowner is able to get about half of what the land renter produces for its use. It is hard to trace the amount paid by the land user to the landowner for city land. We all know that the amount paid per acre for use of city land may be thousands of times the amount paid for agricultural land per acre. On the assumption that the city land user pays no more in proportion to the city landowner than the country land user pays to the country landowner, the amount paid for the use of land is of the order of \$100 billion per year, or half the income of the country as a whole.

Is it not clear that the general level of wages is controlled by what a man can keep when he works for himself? In general, no one is going to work for a boss if he can make more by working for himself.

Agriculture is the most fundamental industry, for it produces all of the food, and most of the clothing, that mankind has to have. Therefore, what a man can keep if he is a tenant farmer determines the general level of wages in all industries as well as in agriculture.

What a tenant is able to keep after he has paid the landowner for the use of the land is the tenant farmer's wages. We have seen above that the high price of land enables the landowner to collect about half of what the tenant farmer produces for the use of the land; therefore, the high price of land cuts the tenant farmer's wages in two. Is there any escape from the conclusion that the high price of land cuts all wages in two?

This is another way of saying that if the community collected all of the community-created ground rent, wages in general would be twice what they are now. From what has been written, it may be thought that the writer is opposed to the system of private ownership of land. Such a conclusion would be a mistake, for he is convinced that the system of private ownership of land is the best way to assure the continuous, exclusive and private possession of land, which is necessary for its best use. If the community would collect, say, 95 per cent of

the community-created ground rent instead of about 10 per cent, as it does at present, substantial justice would be done. The tenant farmer's wages would be about doubled—all wages in general would be about doubled—and any demand for the nationalization of land would be avoided.

Since the close of World War II, there have been many millions of babies born in the United States. None of these babies came into the world as landowners. They are all land users, for only from land can be produced the food, clothing, and shelter they must have if they are to live. The presence of these millions of babies has increased the demand for land, and thereby enables the landowners to charge the land users an increased proportion of his product for the use of the land. No one, as a landowner, produces wealth. There was a time when some millions of dollars per year went to the Schenleys from land they owned in Pittsburgh. So far as I know, the Schenleys never lived in the United States. Seventy-five years ago, most of the land of England was owned by the aristocracy, and they were very rarely land users. In many cases, landowners hold land out of use, thereby decreasing directly the number of jobs available; for we must not forget that wealth-producing employment consists in producing wealth from land or its products.

We all recognize that land is just as much of a gift from the Creator to mankind as air is, and that therefore land is common property and everyone has a right to his share of it as he has a right to his share of the air. The laws of all capitalistic countries which permit a small proportion of the people—the landowners—to collect most of the ground rent produced by the whole community, enable the landowners to collect as much as half of what the land users produce. These laws are unjust and produce unemployment, poverty, depressions, and an unjust distribution of wealth. These laws deny economic freedom to probably 90 per cent of the people in the United States. The Communists are pointing out so clearly as never before, the defects of the capitalistic system, and it is quite possible that if these defects are not cured, they may win the argument; and if they do, we will enter a second Dark Ages.

Land Value Taxation in Canada

(Continued from Page One)

of improvements operates extensively in all four of the western provinces. There is much uneconomic taxation, such as sales taxes and the like, imposed in Canada on all levels; but the Royal Commission on Dominion-Provincial relations reported in 1940 that on provincial and federal levels there is a revenue from national domain, and it estimated that yield in 1937, its datum year, at 23 millions, of which 21 millions was provincial. This revenue comes from timber leases and dues, fishing, hunting and mining licenses, national parks concessions, and so on; but it is not land value taxation. Whenever the time is ripe politically for more revenue to be derived from a tax on land values, apart from the Maritimes, assessment in Canada is all set to operate on any level on the land value taxation principle.

Acknowledgements for information supplied are due to T. H. Freeman, Chairman, Assessment Commission, Saskatchewan; J. A. Arnott, Superintendent of Lands, Saskatchewan; W. T. Fidler, Secretary, Manitoba Assessment Commission; Hon. C. E. Gerhart, Minister of Municipal Affairs, Alberta; Hon. Solon E. Low, M. P., former Treasurer of Alberta; J. H. Lowther, Director, Public Finance Division, Dominion Bureau of Statistics; and Linn A. Gale, President of the Henry George Club, Victoria, B. C.

Prize-Winning Letter

DEAR MR. ALPER,

This is a letter on the subject "How the Henry George News Can Help the Graduates." If the "News" would give us some ideas as to how the land value tax is to be distributed between local, state, and federal governments and which is to do the collecting for all three (four or more in the case of cities), it would help us graduates more than anything I know, especially in making our case in debates and arguments with "non-believers."

Whenever this is brought up, you say that it is too early to discuss this as we are not near to our goal. Is it really too early? How is it done in other countries?

Yours truly,
(Signed) ODIN SCHOLZ

Jerseyville, Ill.

Mr. Scholz is the first to win a year's subscription to the Henry George News in this contest, and we are indebted to him for an excellent idea which we hope to put into practice soon.

Los Angeles

The dramatic story of the printing of *Progress and Poverty* was enacted over Station KILAC April 3rd. The program was the "American Storybook," presented by the Los Angeles Recreation and Park Department.

The story opened with Henry George looking through a pile of rejection letters. Suddenly he came across a letter from Appleton in which they agreed to publish his book provided the author furnished the plates. However, he had no money at all with which to buy the necessary metal, so he wrote to his friends and offered to sell them a copy of the book in advance. They had faith in him and his ideals, and rallied to his support. Not only this, but one friend offered the use of his print shop after hours, and others helped him set type and read proof in the evening. Thus the publication of his great book was made possible.

The broadcast was appropriately titled "The Print of Friendship." The research for the program was done in the library at Los Angeles headquarters.

Graduates and friends in the Santa Monica Bay and West Los Angeles area have been putting on full steam in their Community Activity Program. Included in their plans are interesting monthly discussion meetings to explore further the ideas of Henry George and apply them to current happenings. The April meeting consisted of a re-enactment of a debate between Henry George, Jr. and other members of Congress on the tariff and land value tax. Plans are being made to organize Community Activity Groups in other areas as soon as possible.

Newark

Weather—Rain.

Thus begins the report on a four-hour conference, "Penny for Your Thoughts," held at headquarters on Sunday, April 11th.

"We have built a better mouse trap," said the director, John Tetley, "but the world has not beaten a path to our door. . . . A recent poll taken by the American Institute of Public Opinion revealed that 41 per cent of the adults in the voting population would like to attend classes and take special courses for adults in some school or college. Question is, how to get them into the Henry George School."

The purpose of this conference was, therefore, to form small discussion groups and *think hard*—about how to get more students and classes. The consensus of opinion was that the mailing out of circulars to telephone and rented lists was far too expensive and unproduc-

tive, and that money could be spent to better advantage in advertising of a different type.

Among the suggestions were: to send "Economic Guides" on a self-supporting basis, also to advertise in local newspapers and trade journals and to try for publicity articles in trade journals.

It was also thought that classes could be formed as a result of speakers appearing before large industrial organizations, civic clubs, veterans' organizations, men's fellowships and brotherhoods, church groups, local taxpayers clubs, parent teacher groups, and other women's clubs. A great need was expressed for visual educational aids such as motion pictures, film strips, colored charts and diagrams and booklets with a popular appeal.

St. Louis

The following is typical of the kind of facts Noah Alper uses to engage the interest of St. Louisans in the tax problem:

News item—Lot across from Coronado (Sheratan) Hotel sold for \$115,000. Lot: 170 feet front on Lindell; 213 on Spring—25-foot corner at Spring facing on Lindell assessed at \$500 a foot—next 25 feet at \$450—next 70.9 feet at \$400—final 50 feet at \$350—total \$70,860. At \$2.74 a hundred tax rate, total tax is 1,941.56. A hundred and fifteen thousand dollars at 5 per cent is \$5,750. This, plus tax, totals \$7,691.55—the approximate land or ground rent. The tax takes 25.2 per cent of the total. Might this suggest that we collect some 25 per cent of our land rent in the city?

Ottawa

"Whoever he may be, and wherever he may be placed, the man who thinks becomes a light and a power."

This thought was uppermost when the Ottawa Society finished research into *Social Problems*. The realization was profound that "Power is always in the hands of the masses of men. What oppresses the masses is their own ignorance, their own short-sighted selfishness."

The concluding chapter of Henry George's book will ever remain a bulwark for thinking men. We find there the answer to the world's every problem.

"As a grand finale," writes Ottawa's secretary, Miss Marion Minaker, "we are having Senator Roebuck speak to the class and friends on the 21st. We will send you a resume later.

Toronto

From The Square Deal, March-April issue, we learn that Ernest J. Farmer, Toronto's Director, in an address before the Speakers Federation in February, made a proposal regarding the much discussed margarine problem, which was both timely and direct.

"You are doubtless aware," said Mr. Farmer, "that for many years the Canadian Government has prohibited the sale of oleomargarine within this country. This has been done with the object of favoring the dairy industry, and gaining the votes of those interested in it. Now, the Government should proceed to build up an oleomargarine industry and to that end should not only repeal the present restrictions on oleomargarine, but should for a term of years forbid the sale of any butter within the Dominion of Canada. To allow time for adjustment, the prohibition might come into effect one year from the date of enactment."

Chicago

The Economists Bus Tour in April was the largest in the school's history, requiring seven busses to accommodate the 200 laboratory observers viewing life-size demonstrations of economic principles. It was followed by supper at the Art Institute where Mrs. Henry J. West, an artist, gave a *chalk-talk* on "The Story of the Savannah."

Selecting student speakers for commencement was a problem to "stump the experts," for it became apparent at the class representatives' meeting that there was an abundance of talent. Three-minute talks were made by Mrs. Catherine Van Deventer, Mrs. Estella Starks, Mrs. Marion M. Pierce, George A. Betzelos and Howard J. Elliott. Herman F. Mann, a faculty member, spoke on "The Constitution and Henry George."

When Mrs. James Mason, civic leader in Beverly Hills, and advanced student in the school, took up the gavel as commencement chairman, that name was brought into prominence for the second time in the month. It was publishers' representative James Mason, who, as chairman, guided the discussion at the April 15th Commerce and Industry Luncheon and gave an enthusiastic recommendation of Henry George's *Protection or Free Trade*, which he had just read.

Klaus L. Hansen of Milwaukee, consulting electrical engineer and inventor and graduate of the Chicago school was the featured speaker on April 14th, on the subject "Am I My Brother's Keeper?" This was a candid appraisal of the foreign policy of the United States with particular reference to the Marshall plan and to utilization of trade as a bulwark to peace.

Raymond M. Stanley, market analyst and faculty member, two weeks later, brought a "Report from Western Europe," at a luncheon meeting. He has recently returned from France and Belgium, where he spent five months observing at first-hand, the effects of the European-aid recovery program.

Arrangements are under way for the Chicago-land Conference May 23-30, to be held in the Sheraton Hotel, which will also be headquarters for the 1948 National Conference of the Henry George School to be held in July.

First Impressio

By ROBERT

ARRIVING in New York on April 14th I had to get some of the native sons to run interference for me in getting across the streets. It's no wonder they built a town here, I thought, the ground's too hard to plow anyway. Fortunately I found a room only a hundred blocks from the school; and as soon as I had checked in I started out, compass in hand, for East 69th Street.

My first impression on visiting headquarters was that it buzzes. It was opening night of the spring term and everyone, instructors and students, seemed busily occupied. They appeared to be working, not so much with people, as with ideas. After classes, in the coffee shop and in the halls, the students still talked shop: land values, *isms*, philosophies, etc.

I soon learned that no matter what the response to a new term was, the director and the

me—It's the Answer"—JAMES F. DONNELLY

Philadelphia

When Joseph Stockman arrived in New York he was asked, after a few cursory greetings, what happened to the News report this month; and whether anything dramatic or exciting had happened.

His reply was, "What? In Philadelphia?"

Joe himself provided a dramatic and thoughtful evening by again revealing to a New York audience something of the art of living as practiced by the Chinese.

Think for a moment about "the wisdom of appearing foolish," or "the success of appearing to fail," or "the ability always to be weak—to give and give, yielding to your adversary, as Gandhi did." If you want something, don't go after it . . . if you wait long enough it will come to you. The operative forces (providing you are deserving of it) will bring it to you.

Questions came in a veritable tide and these were all met with the patience of one who has become like the model he has studied and loved so long. Referring to Communism as presented in one question, Mr. Stockman replied, "There are 72 different sects—the Chinese say that not any one has all of the truth, but every one has some of the truth. They take what fits into their scheme of life and forget the rest. That is what they will do with Communism. Every conceivable *ism* has been tried in China and the philosophies of the ancient masters are still operative." China, in the speaker's opinion, is more unified than America—for there everything has a reason, there, nothing is perfect, but there are no sharp corners, no tension—they have time to wait.

We were especially impressed by reminders of the politeness of the Chinese, and even more impressed to find that it is completely unconscious, having been instilled from earliest infancy in the home. "A bad child? Oh no, bad parents."

While obligation within the family, and a strict perspective of man's relative unimportance in the universe, tend to keep individuals modest in their behavior, still you will find them always indifferent to any mistakes made by another in their company. "It might hurt his ego. Better to ignore little human frailties and soon they will disappear."

ns of New York

D. BENTON

Instructors were never satisfied. They all implied that it should have been greater. There is no complacency with the staff here. Anxiety for better and better responses to the educational program, and self-criticism of their past efforts, were very evident. I was surprised to find that people who are doing such good work in such a great movement were so dissatisfied with their own efforts. However, this is probably the mark of conscientious genius!

I was glad to be invited to send greetings to my fellow workers through the pages of the News, and I hope many more of you will visit headquarters, for it is an interesting experience. Now I am going into Mr. Donnelly's Public Speaking Class, where I understand he is organizing his student speakers into committees for the purpose of selling the Henry George News in the various classes. Hope he doesn't ask me to make a speech.

Boston

On March 29th the spring term began in Boston with 13 classes in Fundamental Economics with over 300 students in attendance. An advanced course in "Practical Economics" is being taught by John S. Codman. Also on the curriculum is a course in Principles of International Trade by M. S. Lurio.

Sanford Farkas, Boston's Director, visited New York headquarters in April and turned in some very impressive figures on returns from publicity in the last term.

New York

Mr. and Mrs. George Hansen have a son born March 25th, whose name is Peter Mark. Margaret Bateman, on hearing the baby's name, said, "Peter Mark?—not Marx?"

Mrs. Hansen has been a little too occupied to reply to her "jousting critic" but she promises to say something in her own defense at an early date. Her article in January "Who Gets the National Income in U. S. A.?" brought cries of "traitor" from a number of constituents and even drew fire in the Industrial Worker.

"The search for the answer to our conditions of today," said Miss Emily Ciszewski at New York's Commencement, "starts when we first step out on our own. There a disillusioning process begins when we can't reconcile the high standards of our government as set down and taught by our schools, with the conditions as they really are. This groping makes us examine other principles, namely those of Communism, Socialism, and even Fascism. In my search I became very interested in Communism, but after spending three and a half years working with the Russians, I began to realize there was something that prevented me from completely accepting the doctrine. Then I was introduced to Henry George and now I feel that my feet are firmly on the ground."

Miss Helen Vasilov said, "George's philosophy has been an eye-opener. He has given me the answers to many problems and cleared away a good deal of confusion. His logic is irrefutable. . . . *Let's get to work!*"

Henry Wandell of Jonathan Slater's class pointed out four practical advantages to be gained from the course, as follows: He said it helped to inform friends and acquaintances, and to clarify their questions. Also that it would enable one to distinguish between informed and uninformed speakers on the radio and elsewhere. Further that at the close of such a course one would not be misled by all and sundry who think they have the secret of the more abundant life—and there are many.

Among those on the program who spoke with sincerity and zeal, were: Mrs. Virginia Rowland, Mrs. Hadlie Barclay, Gwendolyn Brown, Dorothy Frooks, Mrs. Newman, William Barlow, Donald G. Gill, Henry Perras, Norman Weissman, Victor J. Allan, Albert Galfia, Paul M. O'Brien and Dennis Cronin.

Ezra Cohen, trustee of the school, was the only instructor called to the platform. He turned the tables by exposing to the delighted students, something of the way the instructor feels at the outset of a new class.

"As the course opens," he said, "some twenty-five strangers sit in the classroom with papers in their hands, and wondering, as they look at the teacher, who that bald-headed man is and what he's going to tell them.

"The instructor meanwhile is saying to himself, *wonder what I'm going to get out of this bunch.*"

Further etching in the picture of the hard-working teacher, he pointed out that if the instructor doesn't hold his class he doesn't get another one, and though teachers are not paid, still it would break their hearts to be deprived of this labor of love.

"You have about completed your first lap," he told the students. "You have a small realization of what is in store for you in the advanced courses. Each one of these is a brand new experience. You'll find that the next course is much more exhilarating than this one was. From this point on, you're on your own. In the Teachers' Training you go through the same things you've just been through, but you do it objectively—you sit down and try to conjure up all the things that will be said by people coming into the class. The crowning experience is taking a class of your own. That's an experience that you'll never be able to duplicate, for it carries you into a realm of fulfillment.

"There's yet an additional thrill, because we see those whom we teach take classes of their own and turn out students of their own. The only thing which keeps us from spreading out is the shortage of teachers—but this is a very slow and meticulous process. You've got to know your stuff! When you become identified with this group you join one of the most intellectual, liberal and far-sighted groups. No matter what your profession is, it's going to help you. Your friends, and even your relatives, are going to respect your opinions more—not only on this subject—but on any subject—because you learn to think. You will become an individual who can't be disregarded.

"This," he said in closing, "is a world-wide movement—a young movement, for the young in heart and the young in ideas."

"It's terrific," said Ed Fitzgerald to pretty Peggen, "more people ought to know about it," speaking of *Progress and Poverty* at breakfast (over WJZ). "That's my book," said his wife, "I sent for it." A week later the Fitzgeralds again referred to the school on their program.

A new course which is attracting attention in New York is "Competition, Prices, Monopolies and Government," by Morris D. Forkosh. This is an examination of the underlying assumptions of free competition and its effect upon our price-capitalistic economy. "Practical Writing," under the direction of Sydney Mayers taxed the capacity of the classroom, while Public Speaking, on Thursdays under the leadership of James F. Donnelly, is always entertaining. (Review and practise session on Tuesdays.)

George Royal, who has recently completed Dr. Brown's correspondence course, with high marks, is teaching a Continuation Course. He thinks so well of Dr. Henry Gunnison Brown's course that he suggests a similar one in the Henry George School. All 31 classes in Fundamental Economics and International Trade and Social Problems got under way with good attendance.

We were sorry to hear of the death of Dr. F. W. Roman, founder and director of The Roman Forum in California. He was a member of the University of California board of regents, with degrees from Yale University, the University of Berlin, and the Sorbonne.

His publication steadily advocated the principles of Henry George.

The Teachers Talk Back

"Try not to cause your mother any trouble today," says Phil Grant to his daughter as he takes off for the office.

"I think I could do it better," implies Linda, "for a dime."

"No," roars Phil, "a daughter of mine has got to be good *for nothing*—"

Because, quoth Phillip Grant at the April Faculty Meeting, "I'm a good *for-nothing* teacher."

New York's faculty meetings, which are becoming steadily more interesting and helpful, bring to light many provocative bits of philosophy. Every teacher made a concise contribution.

It is said "the last shall be first," and Phil Grant who spoke last, said, "This has been an optimistic meeting. I can't get mad enough to say anything really important." Warming up to the "round robin on classroom experiences," however, he went on, "I didn't baby my last class. I used to coax them, read to them, draw pictures and tell stories, and I would wind up with a group of amused students. This time I started off by reminding them they didn't have enough intelligence to read anything beyond comic books—later I was amazed to find they understood my definitions. In lesson four one of them gave the Law of Rent; this had never happened before (it gave me a chance to learn it)."

Then suddenly the drawl of the speaker grew in intensity. "I'm getting mad now," he said—and this was the reason—we think it deserves emphasis. "George stressed spontaneous cooperation in individualism. Until you *lose the idea that there is something splendid about being an individualist* and something low in co-operating with others, you are *not* going to progress."

As Bernie, our bookkeeper, often remarks, "You can say **THAT** again!"

Robert Clancy introduced the guest speaker first, and he was none other than our neighboring director, "Jack" Tetley, from Newark. Replying to Mr. Clancy's remarks about the new term and the advisability of "dramatizing our present-day problems"—Mr. Tetley pleasantly suggested that he understood Mr. Minsky was now unemployed and we might prevail upon him to put on a floor show for our students. (Do we hear a motion?)

Dean Domenic Della Volpe was a very serious auditor at this meeting. As to "pet difficulties encountered," he said, "this is mine! Usually toward the end of the fundamental course some student comes up with, 'Well, if we did collect the land rent, would it be enough?' Students try to evaluate what the rent fund would be on the basis of the present rent fund under a monopolistic economy. We should consider whether it is a free or an unfree economy. After discussion, they begin to see the light, that both labor and capital would have better opportunities."

Lancaster Greene said that the matter of price fixing versus the free market came up all the time and that he met it by pointing out that people get instant responses in a free economy. "There are four great principles of economics," he added, "and any professor who doesn't know

these isn't worth his salt. They are: (1) the interchangeability of all forms of labor products, (2) Ricardo's Law of Rent, (3) Henry George's Law of Wages, and (4) the incidence of taxation."

Andrew P. Christianson, perhaps the most patient teacher in the world, said modestly, "I find the greatest difficulty is with myself, not with the students. I am still trying to be patient and understanding with my pupils. For every misconception they have, there is usually a good reason. For instance in my last class they seemed to have almost a holy faith in price fixing and government management, but by the end of the course they were beginning to see the beauties of a free economy."

William Buhr, who has just completed his first class, did some artful rearranging which proved beneficial. Jonathan Slater spoke of the connotations of the word *poverty*—finds students prefer such expressions as "lack of purchasing power," "depressions," or "maladjustment of wealth."

Nell Ives, the school registrar, demonstrated a copy of *Progress and Poverty*, arranged with marginal notes and topical headings, conforming with college textbooks. A number of instructors spoke of the advisability of screening—not holding the bright students back for the sake of a few.

Edwin Friedman says he sometimes starts in the middle of the lesson instead of taking questions consequently—it gets people's minds off the paper and results in their answering the question in their own words. Eugene Friedberg said, "If you want to hold students at any cost why not pay them a dollar a night for coming here. I think the concern should be not in holding them at any cost, but in holding the few good students."

Mr. Dreyfuss advised, "meet the rent fund head on with facts—there is no question at all about being able to meet the costs of government." Richard Van Horne said, "It always does me good to see something definite accomplished, so I made a New Year's Resolution to do something about it myself." The result of his resolution is a well-thought-out program for post-graduate activity along promotional lines, with speakers available upon request, and many other features. Charts and graphs are needed to hold the attention of the audience. "Sell your salesmen and advertising men," says Mr. Van Horne, "put your ads in salesmen's papers—they'll know how to put the idea across. We should always talk in terms of what it will do for the students."

James Donnelly, popular lecturer and public speaking teacher, also spoke with heartening enthusiasm. "I sell toothpaste," he said, "but I don't talk about it. I talk about Henry George—and sell more toothpaste. People all want to know where we're going—and what's the answer to Communism? When I tell them about George's idea they want to know why something isn't being done about it. This thing is so wonderful it's going to break wide open one of these days—it'll come no matter what this school does—it's *the answer*."

"A course in George," he continued, "is a course in logic, in how to think. Take all the pamphlets and go over them—if we do it as effectively as it was done in the day of Henry George we'll get somewhere."

Society for the Advancement of George Economy

"**A**CTUALLY," said Phillip Grant, "there is no housing shortage. One need only pick up the New York Times any day in the week and turn to the classified section to find many apartments—furnished or unfurnished—advertised for rent. And there are many houses offered for sale too in the same columns. True, the rents are rather high; nevertheless we cannot deny that there are indeed apartments and houses available."

"The fringes of almost every town and city in the United States are dotted with brand-new houses that are not being rented. They were put up by builders who believed that there was a heavy demand for housing. They believed it because their favorite newspapers told them that it was true. How were these builders to suspect that political economy is not one of the many courses that comprise "journalism" as taught in our colleges. Misinformed by their newspapers, the builders are caught in a squeeze. They can't afford to sell their houses at a loss; and nobody seems willing to pay the price the builder can afford to sell at. The builder, thus, is being punished for his over-optimism; for his faith in his newspaper; for his lack of understanding the very fundamentals of political economy. So, all over the country, we can see builders biting their nails down to the knuckle. They are somewhat disappointed that home-seekers have proved to be so uncooperative; so unwilling to pay more than six or eight thousand dollars for a house that cost the builder ten thousand. Don't ever tell one of those builders that there is a housing shortage in this country."

"If any of you in the audience is looking for an apartment," said Mr. Grant, peering into the faces of his listeners who assembled in the school auditorium on a recent Sunday afternoon, to hear these gems of wisdom, "there are a lot of them just a block away—at 70th and Park Avenue. You can get a very nice apartment there, large spacious rooms, latest improvements, very select neighborhood, with four lovely rooms, for something like \$300 a month. Don't laugh! There are lots of people who can afford to pay \$300. I can. That is, I could afford it if my family and I could learn to live without eating. And that's not impossible. Millions of people all over the world today—at this very moment—have almost learned to remain alive without food."

"What we call the housing problem isn't that at all," he added, shifting his weight lazily to the other foot. "It is, more accurately, a how-to-afford-to-pay-for-housing problem. And that's just another name, a nicer name, for the low-wages-vs.-high-cost-of-living-problem. That, of course, is so old we can no longer call it a problem. For a problem is something that we associate with the idea of being aware that something is wrong. Low wages and high rents have been with us so long we have become accustomed to them; so accustomed to them we consider them as natural. And what we learn to believe is natural cannot be thought of as being a problem."

The purpose of this group—popularly known as "SAGE"—will be to spread George as far and as wide as possible. "We hope," said "Joe" Rose, newly elected chairman of the society, "that all true Georgists will join us in this work."

The Synthesis of Labor

By EUGENE FRIEDBERG

AS "THE superiority of human rights over property rights" is coming more and more into political usage, an examination of the impression this phrase conveys, as contrasted with its true meaning, may be in order. This has such a righteous ring that it is often used to clinch an argument when logic fails and it is usually delivered with finality.

As commonly understood it expresses the idea that there are two distinct kinds of rights which are separable, one belonging to humans and the other to "property," the former taking precedence over the latter. This explanation finds acceptance because the State has been stressing it increasingly in its efforts to take over control of production.

This potent phrase would soon lose its validity, however, if it could be demonstrated that by applying the laws of fundamental economics these two "rights" are really one and inseparable. Property, in the terms of a Georgist economy, is wealth produced by the application of labor to land (and having exchange value) or, in other words, the synthesis of labor and material things. Man establishes ethical title to his produce or his property because it embodies a part of himself, his labor.

John Locke was one of the first great philosophers to express this thought. He believed that, in the first place, each man possesses himself absolutely and, in the second place, that he possesses absolutely anything in which he has put his labor. In his *Two Treatises of Government*, first published in 1690, Locke explains "Whatsoever he removes out of the state that nature hath provided and left it in, he hath mixed his labour with, and adjoined to it something that is his own and thereby makes it his property." He goes on to say in the same work, "Though the water running in the fountain is everyone's, yet who can doubt but that in the pitcher is his only who drew it out."

Since then, all property produced by man becomes a virtual part of him, it is impossible to affect his property without affecting him. To deprive a man of his property or to restrict his usage of it is at the same time to diminish his natural rights and it is impossible to do one without doing the other. Locke also identifies (in his aforementioned work) property rights with human rights when he says that men unite voluntarily "for the mutual preservation of their lives, liberties and estates, which I shall call by the general name, property." The only exception that a Georgist could make to this would be to exclude land which is presumably included under the term "estates."

To illustrate further the falseness of the increasingly popular conception of the relationship of human rights and property rights, we have the common law of centuries. In practically all times and places, the common law has always punished crimes against property by body restraint or corporal punishment, fines being secondary, demonstrating once again the close identification of property and human rights. In one of the oldest and most widely accepted codes of moral conduct, the Ten Commandments, we find the injunction "Thou shalt not steal." It is not likely that this safeguard of property rights which this Commandment really is would have been found in this most basic of all codes if these rights were not of the highest order.

The history of all times shows us invariably that restrictions of property rights go hand in hand with restrictions of human rights. It is not even necessary to go very far back, a glance at the present world scene reveals ample proof of this. In the United States, where property restrictions are comparatively light there is a large measure of personal freedom. In England and France, where property rights are much more restricted there is a much smaller measure of civil rights. In Russia, where property rights have disappeared almost altogether, we find the total disappearance of human rights. It is simply a matter of degree and method but the evidence of history bears out the theory that democracy varies directly with property rights. It is unfortunate, moreover, that infringements of property rights these days take on a legal and moral coloring because these restrictions are promulgated by a democratic State in the form of taxes taken ostensibly for the general welfare and we, therefore, tend to accept them without too much protest. However, the fact remains that taxes tend to circumscribe one's activities in many ways and can be and have been used to destroy every natural right. Personal freedom is inversely proportional to the degree of taxation. At this point, it is desirable again to stress that the foregoing references to taxation do not apply to land value taxation because the land value tax is really not a tax at all and therefore does not affect our rights adversely.

The phrase "human rights are superior to property rights" is most unfortunately only one of a growing number of sophistic phrases which the politicians are sprinkling around so liberally to win the votes of the have-nots and it is the duty of the less gullible among us to try to reveal the falseness of their propaganda. Our only weapon is the relentless application of fact and reason and the belief with Henry George that right action will follow right thinking.

Some years ago I introduced in a long list of speakers, the president of the Vocal Teachers Association, giving him, "Why Music Teachers Teach Music." After an elaborate pre-oration including Madame President, Mr. Chairman, and every classification of person he could think of, his speech followed: "I don't know."

"I don't know" why in 1912 I was ever moved to take a ferry boat from San Francisco to Oakland and go to a church (a place I rarely visit) because somewhere I read that Joseph Fels, whom I did not know, was going to speak. Given but fifteen minutes, all he could say was, "Read *Progress and Poverty*," but I did repeating it several times. So I started to read *Progress and Poverty*, but I did not finish it until perhaps thirty years later. As soon as I caught the idea, I thought: why within the next two hours I can get one hundred people interested in this! The next two hours have extended past thirty-five years, and I am still on my first dozen.

With best of cordial personal recollections, I am

Sincerely,

(Signed) JOS. S. THOMPSON.

San Francisco 24

Contest Editor Noah Alper comments, "I suspect the good Joseph Thompson has labored better than he knows. He's probably on his dozen-dozen first dozens by this time. And, to help him get more 'sculps' in his belt readers should order a few of that abridgement of 'Progress and Poverty' (Which he calls 'More Progress and Less Poverty') and hand them to the hard-to-get business man, Schalkenbach Foundation has a big special on this book of 150 pages, cloth bound, of 50 cents a copy."

By NOAH D. ALPER

PUSHED AROUND by the white man organized as the People of the United States,

a number of Indians finally landed in the good lands of Oklahoma. But that was the trouble. The land was good, too good for the indolent Indian. The orders went forth. Give 'em another shove. And a number of the Indians found themselves up in the northern wild lands of the State. Getting a living was tough grubbing. They were a sorry lot.

The Do-gooder White folks sized up the situation this way. Living together the Indians failed to progress and develop "White Man's" initiative. The "Tribal Customs" were a handicap. Divide the land into allotments. Then the Indian will have personal incentive to produce. So it was done.

On a certain day in this area each Indian then living was to secure a headlight. Two minutes before midnight an Indian baby boy was born. The Indians promptly dubbed him "Johnny-on-the-Spot." Two minutes after midnight came a second little Indian. He was promptly dubbed "Johnny-Too-Late."

Oil, lead and zinc were discovered. Some Indians became very, very rich; others remained as poor as before. Now Indians were getting the results of White Man's Customs just as White Men did.

Let's all arise and sing "God Bless America!"

The essential principle of property being to assure to all persons what they have produced by their labor and accumulated by their abstinence; this principle cannot apply to what is not the product of labor, the raw material of the earth.

When the sacredness of property is talked of, it should always be remembered that any such sacredness does not belong in the same degree to landed property. No man made the land: it is the inheritance of the whole species.

—JOHN STUART MILL

How I First Became Interested in Henry George

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Letters . . .

Statisticians' Paradise

Good, meaty article [by Mr. Lincoln, March issue] but \$100 billion yearly land rent is a breath-taking assumption. The land rent of Greater New York is around \$650 million, or slightly over \$1,000 per capita yearly based on Tax Department assessments (which are fair, I think). This makes not over \$15 billion yearly land rent for the entire country. It is enough, normally, for all governmental expenses—federal, state and local.

Taxation probably takes \$5 billion yearly, leaving \$10 billion to landowners, which at 5 per cent would have a capital or sale value of \$200 billion. I have often been asked whether land value taxation affords sufficient revenue, and my answer is yes—normally. Until we return to normal times, I favor abolishing all taxes except an ungraduated income tax and an ungraduated inheritance tax. These two could be dropped entirely in a few years, after government debt is paid off and inflation ceases.

HARRY MAGUIRE
New York

Draft Grant!

The appearance in the April News of a letter from Phillip Grant proves one thing, anyway—that his typical wit and keen insight add sparkle to its columns. While Ike is being drafted for President, I propose a movement to draft Phil as a frequent contributor to The Henry George News.

SYDNEY MAYERS
New York

Sounds Simple?

In answering Mr. Scholl's query [page 4] as to how the land value tax could be distributed between local, state and federal governments, let me suggest a way—please note I do not say *the* way!

All cities, counties or other local subdivisions of the state could collect the entire land rent (or economic rent) of their respective districts. This grand total, representing 100 per cent of all the rent collected throughout the country, would then be distributed percentage-wise to the state and nation as per an allocation agreed upon by a budget board. This board would be made up of representatives of local, state and federal governmental divisions.

Under such an arrangement, the local subdivisions would be contributing to the state and federal governments in exact proportion to the land value of their respective cities or other local taxing districts. The local tax in every instance would be the basis of the whole tax structure. The percentage taken by the state and the federal governments would be the same in every instance. Thus the local governments would be contributing to the state and nation in exact proportion to their local collection, or in proportion to the land value enjoyed in their respective districts.

OTTO K. DORN
New York

Endwell Expert Writes

Note "From Milk River," page 8, April News, Fred Pease is badly mixed up. In paragraph five he says that land value will decline. What he means is that the selling value, not the land value will decline, for we are talking

about the rental-value. The economic rent will be no different under single-taxism than now. It will simply be diverted to the state. But monopoly and speculative rent will disappear (to reappear as wages).

In paragraph four he mentions three funds, but fails to see the forms of rent. (This seems generally to have been missed in all calculations for fifty years.) He says that all special privileges yield economic rent. However, only special privilege in *land* yields economic rent. Monopoly of land, or rather special monopoly of land, yields *monopoly rent*, and *speculation* in land yields *speculative rent*.

Paragraph six, "Those who held titles," etc., should read that those who held titles to land they *used* would be more secure than at present. Paragraph two makes the same mistakes in ignoring monopoly and speculative rent. George showed that land monopoly caused poverty, hard times, depressions, etc. See *Progress and Poverty*, Book VII, Ch. 2, "The Enslavement of Laborers." Land monopoly yields monopoly rent, and this is the guilty party.

C. LE BARON GOELLER
Endwell, N. Y.

A Glance Into History

I am grateful for yours of the first, enclosing April H. G. News.

It is a very interesting looking issue, and I shall peruse it from "kiver to kiver." Meanwhile, please send me that Yale Law Journal article, for which stamps are enclosed.

Long before the New York law was amended in 1915 to require separate valuation of land and improvements, there was inserted in the California Constitution of 1879 a similar requirement that the assessed value of land and improvements be separately shown on every tax statement, whether sent to taxpayers by the state, county, city or a district, and this was so provided in the Constitution because of the activities of Henry George who lived for several years in the State Capital of Sacramento, and worked closely with persons who had a hand in writing that Constitution, which is still the controlling law in this State.

In 1909, at the instance of men who had known Henry George, a law was enacted (Stats. 1909, p. 461) allowing arms or agencies of the State to collect their necessary revenues by way of an annual ad-valorem tax or assessment upon the privately held land in each community, and to exempt completely from the tax any and all buildings or improvements upon or to the land. This was permissive legislation, and not in any respect compulsory. The voters in each community were offered the choice of raising the revenue needed for and by the community the same way as before, or by way of an annual tax upon land values, only. Over 100 communities in California have taken advantage of that opportunity, and impose no tax whatever on buildings or improvements, although some of them are now getting some revenue also from the sale of public utility service, such as water and power tolls. But, there has not been one community operating under this law that imposes any tax on buildings or improvements, or that has ever failed to offer its people the great advantages *to them* which the law has made possible. Not one of them has ever gone back to taxing buildings and improvements.

If you are willing to send me 100 (or any part), of this April issue, I will see each gets

into the hands of an assessor, who should find Mr. Purdy's article interesting and helpful.

J. RUPERT MASON
San Francisco

"Pray for Light"

The February issue seems to stress anxiety as to where future capital is to come from if rent is socialised.

In response to Noah Alper's excellent suggestion here is my FACT. In thinking of Capital, too much thought cannot be given to the Aristotelean definition. Matter, form, efficient cause, final cause. Wealth is three-dimensional matter, shaped (form) by human labour (efficient) to satisfy human desires (final cause).

All capital is wealth. How little we realise what a little would remain if all that is not wealth were removed from the category. My illustration is from this city of Sydney, Capital of the State of N. S. Wales, where we have a socialist government.

Taxi-cabs are strictly limited in number, especially in Sydney, the registration and limiting being by the police under the general direction of the Minister of the Crown. Each taxi carries a number known as the plate.

The cab, made in Detroit, can be sent here, having had its materials assembled from many parts of the world, shaped, put together and transported for something like £100. From the ship's hold to the street takes £3/400. I have recently seen a taxi change hands for £3500. To my mind this represents £100 CAPITAL, £400 capitalised taxes, and £3,000 capitalised MONOPOLY. Evidence was recently given in court that the majority of plate owners are police or Clergy.

This makes still another vested interest to help obscure the truth and to be fought and overcome.

Our annual conference takes place this month at Newport. Help us pray for light.

B. W. CARVER
N.S.W., Australia

Is There No End?

Mr. Goeller says in reply to Mr. Rusby (March issue) that "Whenever land having value is used, there is rent actual; whenever it is not used there is rent potential."

There is but one meaning for "potential"—"capable of becoming." That which is merely capable of *becoming* a given thing obviously cannot *be* that thing. What Mr. Goeller is therefore saying is, that whenever land having value is used there is rent, but when it is not used there is no rent—only the possibility of there being rent at some future time. So Mr. Goeller, as to this point, quite properly (though unintentionally) gives 100 per cent endorsement to Mr. Rusby's contention, which it was his evident intention to attack.

As to the other point discussed, Mr. Goeller says there is "no distinction in rent as to what you do while occupying space on the planet." It would be impossible to take issue on this unless and until there were prior agreement as to the concept of what Political Economy is. But if it is "the science that treats of the nature, production and distribution of wealth," then it does *not* treat of the consumption of wealth. One is only consuming wealth (wearing out the couch) when one lies down to rest.

A. M. GOLDFINGER
Newark