

# the Henry George News

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## *We Saw It Coming!*

By WILLIAM B. TRUEHART

THE little "inventory readjustment of a short time ago is now bad enough to be called a "recession," and rapidly rising unemployment figures indicate the bottom has not been reached. How far will it go? What caused it? Will the 1930's be repeated? Can government construction projects, tax cuts, increased military spending, and credit-loosening machinery restore the boom?

Students of Henry George's economic principles will not be surprised at the recession. They have been fully aware of the astronomical increase in speculative land values the last few years, and they realize that this is the octopus that tightens its strangle-hold on the economy until it finally collapses. Just how big a collapse the current recession may prove to be is still a moot question. But unless the tentacles of the octopus are loosened, any relief will be but temporary, just putting off the day of final severe depression.

What about loosening up on monetary controls? They might help some, but will just feed the fires of inflation more. Money and credit in the economy can be likened to lubricants for a machine, say an automobile. An ample supply of the right kind of lubricants is essential, but if a cog in the machine breaks, lubrication is impotent to repair it. The squeeze land speculation puts on labor and capital is analogous to a real broken cog.

Can tax cuts stem the tide? There is increasing talk of more and bigger ones. They undoubtedly put more money in many persons' hands, which theoretically can act as increased purchasing power in the market and can to that extent spur business and industry. However, again the ogre of land speculation rears its ugly head. Any significant increase in income or prosperity is generally swallowed up by the increased price for land sites. So any benefit would be but temporary.

What about increased government spending for missiles and defense? To the extent that it comes from taxation, it must take away purchasing power from taxpayers on the one hand while augmenting it (and giving jobs) on the other. It's questionable if the encouragement actually outweighs the discouragement. If paid for through deficit financing, government spending which merely feeds further the inflationary forces, may temporarily put off the day of reckoning but cannot prevent the appearance of depression.

# A Word With You

THE most conspicuous fact in the world today is the rivalry between the U.S.A. and the U.S.S.R. This is not necessarily because it is the most important thing, but because the governments of both countries never give us a moment's rest from it.

The U.S.S.R. is committed to an aggressive policy, and furthermore is making noisy and impressive efforts to rival the West technologically. As for this country, our government's foreign policy seems to revolve entirely around Russia. The only requirement for an alliance between the U.S.A. and another country appears to be a mutual stand against the Soviet Union.

The U.S.A. is supposed to be leader of the "free world," which can include dictatorships, feudal tyrannies and even Communist countries which happen to disagree with Russia. The U.S.A. is prepared to side with any mogul, howsoever he may tread upon his people, so long as he frowns on Russia—more than that, we are prepared to bribe him so he will keep frowning and smiling in the right directions..

Furthermore, the various moguls have learned their lesson well and have astutely measured in monetary terms their price for staying with the free world . . . the free world!

Our Secretary of State exasperates our allies with his eternal harping on his one theme, "what about Russia?" Never mind the earnest struggles of Europe to find a new orientation in the world, never mind the aspirations of the emergent peoples of Asia and Africa, never mind the inter-relationships of all these nations—"what about Russia?"

The irony of it is that this narrow view keeps us traipsing behind Russia. When she gets in her licks in any

particular area of the world, then we get all distraught and try to catch up.

Surely the U.S.A. with its greatness, its heritage of liberty, should have something better to offer the world than this vain and childish contest. Granted that world communism is a menace, most of the world's population would gladly prefer guidance and real help on social and economic problems from America than from Russia. Instead our government bars them from trading freely with us, extends a degrading charity and treats them like pawns in a power struggle.

America *does* have something great to offer the world—the most effective antidote to communism that exists—and that is the philosophy of Henry George. This is just the sort of thing that the newly awakened peoples of the world are hungry for—basic information on how to manage their economy. In its zeal to forestall communism, our State Department would do well to rediscover this American economic philosopher and foster his teachings around the world.

Of course, America needs the Georgist philosophy as much as Afghanistan does, but we Georgists would gladly see other countries get hold of it. We could even swallow our bile when we are told that it can only apply to an agrarian economy, and reply, "Go ahead, then, and teach it to the agrarian economies of the world."

—Robert Clancy

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# Integration for Georgists

by ERNESTINE JAEDIKER



I had a moment of what I hope was insight when I thought about Selim Tideman's observation that the Henry George movement is less well known today than it was in 1893. My thought was that the movement had become isolated from the background problems which hatched it, and which basically still pertain. For a revitalization to take place, it must be reestablished in its context.

The factors that block acceptance of Georgist ideas stem from the underlying wrongs in our society. The "return of public property to its natural rightful owner, the whole society," depends on a change in orientation and is part of a complex of problems that are all inter-connected. The solutions, therefore, are also inter-connected. They're predicated on a *people-oriented* economy.

Today, the people exist for industry's sake. The cart is pulling the horse. We are no longer human beings . . . we are consumers. One can almost see some future President solving a depression by making industry so self-sufficient (machines buying what machines produce) that the public can be dispensed with altogether.

We're apparently being conquered by oil companies and bomber manufacturers. (Recently a bomb was accidentally dropped on a South Carolina community. The Military said, in effect: Sorry! There's a chance of radio-

activity but that's the calculated risk we're taking.)

The destructive root of our society—the foundation in sand—is private self-centeredness. We know there is personal property such as one's house, clothing and personal effects. We know there is also social property such as land, street lights, subways, railroads and power plants. No individual can rightfully "own" social property; we're having trouble with the railroads right now . . . they are not making a profit, but why should they be expected to make a profit or do anything beside carrying out their necessary function, which is to transport people and goods? Nobody expects the highways to make a profit. But our society blinds itself to the truth about social property because it has given a green light to private individuals to profit at the general expense.

This license is confused with "individualism" but is actually a hideous distortion as one can see by the conformism it has bred. The individual cannot develop his best talents and potential when he is engaged in a rat race. He can only fight a feeling of helplessness in an atmosphere where a corporation's profits are more sacred than the public health and welfare, where chemical companies are allowed to spray our foods with insecticides, and those adult delinquents, our political leaders, threaten the world "from

a position of strength" and enjoy making a big noise with H-bombs. Peace is hard to achieve when some are allowed to profit from defense.

Our society can be compared to a body whose individual parts are encouraged to be greedy and exploit the needs of every other part of the same body. What's happening is the same as would happen in our own bodies if, for instance, the bloodmaker discovered it could make a cheaper and easier substitute for blood by adding certain synthetic chemicals, and shortly thereafter, the liver experienced a toxic reaction. Let us say that the liver, after much suffering, finally suspected the bloodmaker, ran tests to confirm its suspicion, sent a protest to the brain, and a request for protective legislation.

The bloodmaker is "in business for himself" and he puts up a fight. He sends a lobby that distributes gifts to the brain to influence a decision favorable to himself (he thinks) and puts on a big campaign with "research" from paid laboratories. The brain decides there is no direct connection between the liver's illness and the bloodmaker's toxic chemicals.

Obviously, that body is going to get sicker and obviously the basic values of its system are harmful to itself. When Christ and other far seeing prophets took the God-proven principles by which our own bodies function and applied them to the social structure, they were foretelling an evolutionary fact. "Love thy neighbor as thyself" is not an idle platitude; it's a necessity of survival. Today we are forced to reckon with it because our society has reached the point of power and communication development where the harmful effects of its basic tenets are infinitely compounded and spare no one.

In spite of a brainwashing network of television and newspapers, people today sense something fundamentally wrong. The feeling may be largely subconscious but it manifests itself

in such multifarious ways as the fact that we have the highest crime rate in the world and that half our hospital beds are occupied by mental patients. It is manifested in the current surge of interest in archaeology and the "endgames" of past civilizations, also in de-humanized art forms like blank stretches of canvas completely void or with sudden tantrums of color. It shows clearly the hysteria of an advertisement like the one in The New York Times in May, 1957. That message from A. N. Spanel, chairman of the International Latex Corporation, was an attempt to renew confidence in Western civilization and was titled, "This Fatalism is Fatal." It warned that the Aztec empire was destroyed by a "myth," as though a decline of our way of life would be the result of some myth rather than of the serious things that are wrong with it—as though by all of us taking loyalty oaths and having faith the monstrous structure could be kept upright in its foundation of sand. Propaganda of this kind, as earnest as it is misguided, is symptomatic of what it seeks to deny. It's also tax deductible.

How can the Georgist movement make its voice heard in the madness around us? One thing I would suggest, if I may, is a greater awareness of other groups, which though they focus on different facets, are nevertheless working to promote the change of attitudes that will also pave our way. While it is not necessary to accept all the ideas and publications of each group whose goals are in fundamental sympathy, a unification of spirit and an exchange of ideas would help our "islands of sanity," radiate outward at a faster rate.

A degree of integration with basically harmonious groups is not a totally new idea to HGN readers. The Georgist movement, with such a valuable point of view to contribute, need not be static or isolated.

# Progress and Freedom

by NEIL S. BOOTH

A PROMINENT executive recently addressed the Men's Club at a Chicago church on the subject, "America's Finest Exports." He had toured Europe and the Middle East where he observed that American aid from private resources was more appreciated than that from the Federal government. This point was well received because it was clear that private aid reached the people directly.

He told how in the primitive Middle East the main pack animal is still the human being and how women still carry water in bottles on their heads as they did in Bible times. Coca Cola and other American soft drinks, he said, had invaded every country he visited, except Portugal, though many of these were wine-drinking countries. American soft drinks are popular where contaminated water is prevalent, because people know the water used has been purified.

"I wonder why in these countries of the Middle East and also Asia, with civilizations thousands of years older than our own, there is so little of the progress that is commonplace with us," the speaker mused. Was it their religion or their lack of education?

A simple answer, though a little too smug, would be to suggest that we have capital while backward countries do not. America afforded fabulous amounts of free land that could be converted into capital by the earlier settlers, to build industries and railroads. Many people lived on less than they earned and their frugality and

enterprise engendered the conveniences of today. By contrast the old world was thickly populated long before the industrial revolution, and the people could not save. Income from land was spent by the princes in rich living—it was not converted into capital.

The Indianapolis Star editorialized a few months ago on the situation in Iran. The landless are taxed to the hilt. Their national budget was short \$80,000 for 1957. When our government helped make up the deficit to the Iranian rulers, the landowners were subsidized so they could continue to deny the means of subsistence to the landless peasants.

Notable American missionaries have attempted to introduce written languages into many of these countries to overcome the traditional ignorance and poor hygiene. But unless some economic means is also provided to raise the living standard better education will eventually lead to greater dissatisfaction and Communist infiltration.

The greatest progress has been made in countries having a favorable temperature difference between summer and winter. In areas where it is very hot or cold, or where it rains too much or too little, backward conditions are most prevalent—this is true in the United States as well, though irrigation and other means have been found to afford relief.

Wherever land and political power are held by the same few potentates, the conditions continue to be dark. Climatic disadvantages, difficult as

they are, can be made to yield, and outworn religious practices for the most part can be overcome. But the question of backwardness cannot be met on a political or material basis alone. We are a fortunate people because in the Constitution of the United States the wisdom of centuries was drawn upon. The result was that liberty was guaranteed in the three major fields of politics, religion and economic life—and without this trinity our progress would not have been possible.

In each division of government, liberty was to have been preserved by dividing the power into three units, each to be a check on the others, so that despotism could not occur through the unreasoning appetites of a pure democracy or the power of a few who might gain control of the military and police.

Even so, the principles of delegation and the counter-check on political power are being violated today because people are permitting, in fact asking for, federal and state services that should be rendered by the local community, and most often by the people themselves through private means.

**T**HE second of the important liberties is religious liberty. This was guaranteed to the American people by the Constitution and there have been few restrictions. Religious power has been and still is being combined with political power, in many parts of the world, to hold people in orderly subjection, bonded to an economic status little above the level of a slave.

As America is considered to be a Christian country, there is a traditional belief in the fatherhood of God. Unfortunately religion in the United States is losing its influence because it has become worldly and is being used to gain political and economic ends which are at variance with the

lessons of history. The increase of organized charity tends to increase the need for charity and to remove from the individual his obligation to look after his own. The care for unwed mothers has increased illegitimate births. State support for broken homes increases separation and divorce. Freedom from taxation of church property bribes churchmen to a blind support of economic and political mistakes. If religion is to reach full flower in the souls of men, it must stand aloof from political and economic power where its effectiveness in criticism and influence will not be compromised by the contamination of the selfish who seek power over their neighbors.

**S**INCE the day of the French Physiocrats and Adam Smith, many approaches to the economic problem have been made. None have been more dangerous than that of Karl Marx. There is just enough truth in him to lead the unwary astray, despite the fact that Soviet dictatorship is as despotic as any the world has ever known.

We lost the major significance of our Federal Constitution when we forgot that the separation of powers was its most important principle. Checks to power are needed equally in the three fields of politics, religion and economics. State interference is seen in the taxing methods used to collect the money needed to run the state. These funds always come from the laborers who produce the wealth. There is no other source. How these taxes are laid spells the difference between a society based on liberty and one tending toward dictatorial rule.

The basic elements in the production of wealth are land, labor and capital. In backward countries, as has been pointed out, there is land and labor and very little capital. The three basic returns from the production of

wealth are rent for the use of land, interest for the use of capital, and wages to the laborers. In a forward-looking society some of the wealth produced will be put back into production in the form of new capital which increases the production of wealth and the net return to labor. Until recently there have been very few instances of this being done in any of the under privileged countries.

Where rental value of land is not used for public purposes, the natural cycles of high and low demand are differentiated as periods of "boom and bust." These have been interrupted in the United States by inflation which will apparently end only through the collapse of the Soviet Union, the collapse of the free nations, or the annihilation of man.

The Sputniks have influenced Congress to raise the limit of the national debt, so we continue to play into the hands of the sabre-rattling Communists who are waiting for us to destroy ourselves. Much of our 275 billion national debt represents an attempt to transfer back into our capital account the savings which, through the years have been diverted into the purchase of land. The artificial control of interest rates by Federal law is one proof of this trend.

For example two REA (Rural Electrification Authority) lends money at two percent interest which it borrowed from the Federal treasury at three percent interest—the taxpayers paying the difference. It is also true that under the income tax law, the capital gains regulations have encouraged financial manipulators to raid American business.

The law of supply and demand acts just as inexorably in the matter of capital as it does in land, goods, services and labor. If the supply is ample the interest is low, if the supply is short the interest is high. If the supply of capital is kept short long enough, the capitalist will dictate to any economy, he will run the government.

The only sure cure of the problem is to stop the diversion of savings into the purchase of land, and the use of the rental value of land as taxes. The methods for doing so are well established and understood by the informed. Salvation is an individual matter, however, and freedom of politics, religion and economics must be preserved first of all on the individual level. This calls for an immediate infusion of courage, intelligence and power. *Apathy is the greatest foe.*

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## THE COLD WAR

by GEORGE T. TIDEMAN

It is commonly understood that economic chaos sets the stage for Communist supremacy, but what is not commonly understood is that economic chaos results from land monopoly. Every advance in production is soon absorbed by advancing rent, and this rent escalator is our "Trojan horse." Unless we put a stop to this age-old scourge we shall remain vulnerable by attrition to the vigilant Communists at home and abroad who take advantage of every occasion when the economy is strained by rising rent pressures.

We can see two human forces in their favor, namely: the resistance of the landed interest to land value taxation, and the inertia of the majority of people who submit to evils because that is easier than trying to correct them.

Wherever the Communist "wolves of chaos" take over they immediately set about liquidating the landlords. If governments would take a lesson from Henry George, the champion of a free economy, instead of Karl Marx, the architect of a controlled economy, there would be no need to upset the entire social, economic and political structure. The public appropriation of economic rent would be the simplest device for ridding ourselves of the debilitating Trojan horse.

*Sydney Mayers*

## VIEWS THE NEWS

In one of the biggest real estate deals ever closed in Canada, the Chippewa Indians of Ontario, who in 1827 were guaranteed perpetual rights to their reserve on the St. Clair River, last year sold 2768 acres to New England Industries, a New York Company, for \$7,902,092. The 458 surviving Chippewas will each receive about \$4750, and the formerly tax-exempt property will now go on the tax-rolls of the local municipality—but what happens to the "perpetual" rights of Chippewas yet to be born?

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"For entering European markets," states Cyril Count McCormack of the Irish Industrial Development Authority, "Ireland is the logical base for manufacture and distribution," since there is no tax on export profits, no turnover tax, no capital gains tax, no purchase or sales tax, no undistributed profits tax, and no duty on machinery or raw materials. Now, who can deny such logic, or doubt that Erin has found a sure road to prosperity?

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Headlines in The New York Times inform us that "Oil and Rubber Riches of Sumatra Figure in Indonesian Power Struggle—Combatants Tacitly Avoid Harm to Sources of Future Revenue." As usual, the emotional and ideological demands so loudly proclaimed by politicians are demonstrably secondary to the material economic advantages to be granted.

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Former Governor Leslie A. Miller of Wyoming, in an interesting magazine article, severely castigates Congress for its wastefully huge expendi-

tures via pork-barrel legislation. The best line in Governor Miller's article is its title: "It All Comes Out of Your Pocket."

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The Suez Canal Company, which was summarily tossed out of Egypt, claims damages of some \$575 million in a suit now before the International Bank for Reconstruction and Development. The controversy (says The New York Times) is intricate enough to call from their graves King Solomon, Merlin the Magician and Rabelais' dice-throwing Judge Bridioie, but a settlement is expected—because Egypt wants to regain access to capital markets in the West, where it would like to borrow over a billion dollars.

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While Nikita Krushchev, Communist party boss of the U.S.S.R., accuses the United States of "trying to force the Capitalist system on Russia, his finance minister, Arseni Zverev, boasts that 40 million Soviet citizens have 73 billion rubles (about \$18 billion) on deposit in Soviet banks. This seems inconsistent, but actually shows that people are people, and prefer a buck in the bank to a Kremlinfu of pie-in-the-sky.

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According to a news report, the "invisible" pound-sterling, which is neither printed nor coined, but exists solely in bankers' ledgers, has become the chief currency on the world, and is the basis of three-quarters of today's international trade. Let us note how clearly this establishes the validity of Henry George's view on the nature and function of money, as revealed in *The Science of Political Economy*.

# *The Fantastic Empires*

**TOWARD RESPONSIBLE GOVERNMENT**, by Edward F. Renshaw, Idyia Press, Chicago, 1957

Reviewed by  
**WALTER M. RUSSELL**

THE author calls this book "An Economic Appraisal of Federal Investment in Water Resource Programs," and his purpose is to inform the citizenry of the nature and magnitude of the economic values associated with contemporary investment. "In a sense," he states, "this is a plea for responsible and honest government. That end, it seems to me, can only be hoped for if the true beneficiaries from water resources are forced to bear the cost of investment in proportion to the benefits received."

The writer's conclusions are clear and simple. He shows how certain programs, worthy in conception and instituted under well-designed controls, have since mushroomed into vast empires supported by indefensible formulas and yardsticks. All who are interested in cutting unjustifiable government expenditures, and especially members of Congress serving on appropriation committees and leaders in investment and business circles, should certainly read this book, but might find its style too abstract and technical for comfort.

To say that in no one of the government programs examined was there

a consistent policy of returning a dollar of benefit for a dollar spent, would be an over simplification of the author's conclusion. This is, however, the inescapable impression one receives from the practical evidence presented.

I was associated with some of the water resource programs between 1935 and 1940 and recall the ever-present controversy between proponents of the theory that floods can be controlled by "holding the water where it falls," and those who clamor for bigger dams and reservoirs (especially if some electric power can be tucked in unobtrusively). This difference of opinion, though fairly mild in those days, has assumed monstrous proportions. Today six separate government agencies are contesting bitterly for budget dollars with which to extend their empires, often on the slimmest of justifications and the most sophisticated formulas.

The author points out, for instance, that while some government agencies are frantically trying to get money to expand the crop lands by highly expensive methods, others are just as frantically trying to cope with the ever-rising flood of surplus farm products. In order for this book to serve the important purpose for which it was intended, its contents should be brought to the attention of legislators in the hopes of forcing spending agencies into a more realistic evaluation of their programs.

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Emily E. F. Skeel of Harriman, New York, who died recently in Pasadena, was a Geologist of long standing, who left a memorial bequest to the school honoring her good friends: Charlotte Schetter, Julia B. Kellogg, and Joseph Dana Miller, all of whom served the cause faithfully for many years.

Ernest M. Ginders of Morfa Nefyn, Wales, who was mentioned in the December, 1957 HGN as the man whose many, well-thought-out letters gave the impetus for the land value legislation in Jamaica, B.W.I. has slipped away after a long and useful life.



To the Editor:

In the February HGN, the article titled "Strategy vs. Theory on Land-Rent Figures" by John C. Weaver deserves extra attention by all Georgists.

Rather than being so adamant in theorizing and preaching the Georgist theory and criticizing other libertarian movements or publications such as the Freeman, etc., it would behoove us to give wholehearted support to such conservative movements as the Dean Manion Forum, Free Men Speak, American Progress Organization, For America, Committee to Repeal the Income Tax, etc., etc.

One measure we should promptly effect is the encouragement of hearings on H. J. Res 355 so that we may know the truth regarding Federal taxing and spending. At least, it would be a step in *our* direction, and not with the current dominant practical strategy.

MICHAEL J. CANNULI  
Reading, Pennsylvania

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To the Editor:

It seems to me there are some things we tend to forget regarding the income tax. If a man rightly earns ten million dollars a year that means that society has received ten million dollars worth of services from him, does it not? Having already received a fair exchange for his earnings, what moral right has organized society to demand more? It seems to me that if we are going to abandon this moral principle we are weakening, not strengthening our cause.

This certainly does not mean that in times of need the government cannot ask more of those who are able

to give more than they would give through land value taxation. However, I believe with Henry George that land value taxation, abandonment of tariffs, and an honest money system would greatly reduce large incomes and raise low incomes.

John C. Weaver pointed out in the February HGN, quite clearly, I think, that as much revenue can be raised by land value taxation as by any other imaginable combination of taxes. Though I, like Mr. Weaver, disagree with Mr. Tideman concerning the income tax, I must admit that I enjoy his articles and find them quite informative.

VERNON HONE  
Myrtle Point, Oregon

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To the Editor:

M. S. Lurio, in the February HGN stated, "business men must use capital equipment . . . regardless of the rate of interest. . . ." I would like to have heard him trying to tell that to the millions of hungry unemployed, back in 1930.

"Interest" is Henry George for "profit." George ignored interest on money because he was concerned with basic economics, not bookkeeping. Our capitalists are not economists but glorified bookkeepers so deliberate waste plus monetary inflation, with its resulting increase in prices and paper profits, is enough to keep them happy. This is inflation of bank credit, not currency. Between 1945 and 1955, bank deposits increased from 151 billion to 208 billion, currency from 28 billion to 31 billion.

NATHAN L. SMITHSON  
Houston, Texas

# "Rent" TV

By O. B. JOHANNSSEN

**T**HE present acrimonious dispute whether certain TV channels should be assigned for programs which will be paid for by the viewers points up the unwise method which has been adopted in allocating radio and TV frequencies.

The regulatory body set up to prevent overlapping of stations was given considerable latitude in the determination of who shall have the use of the frequencies. This put in the hands of a few men not only great power in making these lucrative awards but also, as is obvious, the right of censorship, for by refusing to allocate the channels for paid TV they infringe on the right of the people to buy or not to buy TV programs.

But the entire dispute can be resolved quite easily. Instead of leaving to the regulatory body's discretion who shall get the desired frequencies, the government should simply rent them out on an annual basis to the highest bidders with freedom to use them as they see fit. Certainly some radio and TV lessees would adopt the subscription basis. If such proved unprofitable, it would indicate the public did not like those paid programs, and the lessees would have to give them up.

In addition, the competition among the bidders would insure that the government would get the full monetary value of these frequencies. All of the people have an equal right to them, but as it is physically impossible for more than one party to have the use of any given frequency in a particular area, the party obtaining its use has an extremely valuable privilege. He is not entitled to it unless he pays to the rest of us—the equal claimants to that privilege—its full price. This would be accomplished by the fee going into the general tax fund, thereby reducing taxes to that extent. Obviously, as the government does not now collect the annual rental value of these frequencies, the people in effect pay it in some form of taxation, so whether they know it or not they are indirectly paying for "free" TV and radio programs now.

This single criterion of renting the frequencies to the highest bidders is in accord with the principles of private enterprise for it puts them directly in the marketplace where the people control. And after all, it's about time control of the radio and TV frequencies was taken away from the bureaucrats and given back to the people.

—From *The Wall Street Journal*



# Noah D. Alper's Brief Cases

## OUR SHRINKING WORLD (?)

According to an item in the Omaha World-Herald based on a report in the Illinois Bankers Magazine, C. L. Steward, a professor of "land economics," and Harold Guiter, assistant extension editor for a college of agriculture, found that competition for Illinois land was increasing as well as the prices. It seems land values in Illinois have climbed from an average of \$82 an acre in 1940 to a recent estimate of \$278. The price soars as high as \$427 an acre, and even land with a low producing value costs \$128 an acre. Can it be that the world is growing smaller? Is the land shrinking, or does it just seem that way because of our land-tenure taxation policy?

## TAX MUDDLE MUDDLED

"The latest West Virginia Tax Extension is perhaps the most weirdly constructed bill ever to get through a Legislature that has some pretty weird bills to its credit, according to a news item in the Wetzel Republican. It seems that, operating under the illusion that taxes and sources are one and the same thing, the Legislature, seeking more revenue, picked soft drinks and allied products as its target.

"The resultant muddle produced a \$.01 tax per ounce of powder and \$.00625 tax per ounce of liquid syrup." As a result, a 16-ounce package of Hershey's syrup, which sold for 22 to 25 cents, and a 2½-pound box of Nestle's "Quick," usually sold under \$1, are taxed at 40 percent or more. "Under such a tax," states the Wetzel Republican, "West Virginia may be the scene of many a strange drama as state police cruisers pursue speeding hotrods bootlegging 'hot' cargoes of ovaltine to beat the tax."

## FRAGMENTS OF THE GREAT GIVEAWAY

The U.S. News and World Report of February 14th had an article entitled "Wave Lengths Worth Millions: Nation's Biggest 'Giveaway?'" Following is an outline covering a nine-year period which speaks for itself:

"1948 Company A asked Federal Communications Commission for a license to operate a TV channel in a Southern city. Estimated cost of station: \$186,000. FCC granted license.

"1953 Company A asked FCC for permission to sell the station to company B. Price: \$2,400,000. Physical assets were valued at \$1,200,000. 'Intangibles,' including the license to operate, represented \$1,200,000. FCC approved company B as the purchaser and new holder of the station license.

"1957 Company B asked FCC for permission to sell the station to company C. Price: \$6,300,000. Physical assets were valued at \$1,500,000. 'Intangibles' by now represented \$4,800,000. FCC approved company C as the new licensee.

"The right to operate this TV station, plus other 'intangibles' such as 'good will,' thus grew in value from zero to \$4,800,000 in nine years. Approval of the FCC in Washington had to be obtained for each successive deal that bid up the TV channel's value."

## WORTH REPEATING

A new generation is now at the business helm, a generation that has not experienced the fiercely competitive and individualistic era before the great depression. We have acquired the vicious habit of running to the government for help every time we encounter heavy going. Most of us give lip service to free enterprise, and we assail government intervention in business; yet when the going gets rough we clamor for a dose of inflation and controls on the other fellow's business.

FRANCIS A. KETTANEH in *Christian Economics*

## THE YEAR OF JUBILEE

In the November 1957 HGN a quotation from a book entitled *The Scattered Nation*, by Zebulon Baird Vance, appeared in Noah D. Alper's *Brief Cases*. This caused Sande Jaffray of New York to inquire, "Is there evidence that the rules regarding the alienation of real property as set forth in the Old Testament were actually in practice, or were they stated merely as ideals?"

For an authoritative statement on this epoch we turned to Rabbi David Neiman of the Academy of Higher Jewish Learning, New York, who replied as follows:

"The law concerns the return of all land to the original family. It is known as the Law of the Jubilee Year and reflects an actual historical practice. The law was probably in effect from the 10th century to the beginning of the 6th century B.C.E.

"It is unrealistic to consider any of the laws in the Old Testament, and for that matter in any Constitution, as purely theoretical. If the law is on the books, it was observed. Moreover, there is extra-Biblical evidence for the observance of the Jubilee Year. The Book of Jubilees in the Collection known as the 'Pseudepigrapha' refers to the entire history of Israel in terms of 50 year cycles of the Jubilee. I think you can consider the Jubilee Law as having been actually practiced."

### Fortress America



—From Trade Talk

## *The School in the News*

CHICAGO'S 84th Commerce and Industry luncheon on April 3rd will have as its speaker, Pierre Martineau, director of research and marketing at the Chicago Tribune—subject, "The Philosophy of Consumerism." He will be presented by Dave Chapman, an industrial designer; and Vern I. McCarthy, Jr., vice president of Vulcan Containers, Inc. will be reception chairman.

The Company of the Month to be honored by the Chicago Henry George School in April will be the fine arts radio station, WFMT. Bernard Jacobs, president and manager, will acknowledge the citation to be made by Harry J. Hemingway, president of Advance Aluminum Castings Corporation.

The March 19th educational TV program over WTTW—Channel 11—under the conference leadership of James MacRae, highlighted current problems and trends with panel members Ernest T. Baughman, of the Federal Reserve Bank of Chicago; Virgil Disney of the Armour Research Foundation; and Joseph F. Lohman, sheriff of Cook County. The opening TV program in the new series, on March 5th, dealing with the recession ("Gloomy to Bright") echoed predictions made by four Chicago executives at a February luncheon meeting covered and reported by the four daily Chicago newspapers.

The Henry George Woman's Club at its annual meeting had a panel on "The Cold War" with Dr. George Tideman as moderator (see page 7). Members of the panel were Edwin Hamilton, Howard L'Hommedieu and John Monroe, director of the Chicago Henry George School. Mrs. George M. Menninger and Mrs. Sarah Rudd were the hostesses.

ST. LOUIS has seven classes in progress in the spring term. Two advanced classes have just been completed.

"How to Make Community Blight Take Flight" was the theme for a panel discussion sponsored by the Henry George Alumni Association at Christ Church Cathedral in February. Panel members were Dr. Eugene Johnson, director of television activities and civic education at Washington University; William G. Learn, senior engineer, McDonnell Aircraft Corporation; and Bruno Sendlein, president of the Hyde Park Improvement Association.

Dr. Johnson pictured the over-all St. Louis situation with reference to blight, and said slums were coming into existence faster than they could be removed. Mr. Learn pointed out that we now encourage public and semi-public projects of housing and the like by making land available at a loss to the taxpayers and granting tax exemptions for a limited number of years in arbitrarily selected block areas.

He showed how this method had worked in Pittsburgh and New York City following World War I, and how the principles had been applied in New Zealand and Australia. Mr. Sendlein told of a rehabilitation "pilot project" in his area and of the need of working with people to secure interest and action in community redevelopment.

Bertram H. Mann, Jr., a patent attorney with Carter Carburetor Company, was the moderator. A. B. C. Dexter was program chairman, and Mrs. Floyd Kirchner served as chairman of the entertainment committee. Dinner was served by women members of the cathedral, a large Episcopal church in downtown St. Louis.

San Diego is calling all good Georgists to the annual conference of the Henry George School from Wednesday, July 9th to Sunday, July 13th. Meetings will be in the Lafayette Hotel. Sidney Evans, Charles Adams, Gordon Gran, Eva Maxwell, James Palmer, Louis Perna and Everett Seeley are the committee—and this line-up is all the guarantee anyone needs that a good time will be had by all. Please make your reservations through Mrs. Maxwell, extension secretary, at 1536 Seventh Avenue, San Diego 1, California.

DETROIT'S March dinner meeting with J. Bracken Lee, former governor of Utah as guest, was a great success and well attended. Mr. Lee said, "If you were able to keep the 20 to 30 percent that is now being taken out of your pay check, it would be the biggest boom to the economy this country has ever seen. Everyone would get the largest increase in 'take-home' pay in their lifetime. Business confidence would return." The former governor is now traveling through the country as national chairman of "For America," in an effort to arouse people to the importance of repealing the 16th (income tax) Amendment.

DENVER director, Mrs. Leoane R. Anderson, writes that the various and most interesting topics from recent issues of HGN were the subjects of discussion at their recent fellowship meeting, and the comment on the magazine was "indeed favorable." She refers to HGN as "both stimulating and educational, and occasionally—relaxing!"

Members of the Denver Henry George Fellowship had a brainstorming session on March 16th, at which time they took up some of the questions most frequently asked by the public about economic rent and its operation. New officers of this fellowship are: Robert Salsman, permanent chairman; Joseph A. Marino, treasurer; Joseph A. Licknovsky, secretary; and Mrs. Hazel Salsman, assistant secretary.

SAN FRANCISCO'S special fund appeal to make possible a spring

term of classes was a resounding success. In a period of 17 days, 46 friends who had not yet become school members this year pledged \$969, well exceeding the minimum goal of \$700. An additional \$630 was pledged toward the next year's work.

The spring-term class announcement, redesigned by commercial artist Earl Thollander and hand set by Kibbee, lists five classes starting the week of April 14.

SAN DIEGO became the adopted home of Ida Reeves, who was the extension director there from 1949 to 1951, at which time she resigned to go home to Nebraska and care for her father. She felt the lure of San Diego and returned later to become cashier in the U. S. Grant Hotel. It is with sadness that we learned, through her successor, Mrs. Eva L. Maxwell, that Miss Reeves died on March 4th following an operation. Interment was made back home in Nebraska, but it is easy to understand that her heart was in sunny San Diego.

NEW JERSEY students are urged to enroll in either the Thursday or Wednesday evening class in Fundamental Economics at 78 Clinton Street, Newark, starting the first week in April. A Great Books Discussion Group is under way at the Clinton Street headquarters on alternate Mondays. Another biweekly feature is "Thursdays at 8" with groups meeting at headquarters to discuss current economic events.

# *Stop Legal Stealing*

A New Pamphlet by JOHN C. LINCOLN

Our man-made laws permit the theft of 75 billion dollars a year from the community and give it to a group that does nothing to produce it.

This is the bold claim made by the author of this challenging pamphlet.

In plain, understandable language, Mr. Lincoln builds up his case, proves his points step by step, and shows how this enormous legal stealing can be stopped.

Mr. Lincoln, author of the recent book, *Ground Rent, Not Taxes*, has in this 32-page pamphlet condensed the essential argument of his larger book in a clear and convincing manner.

This is an excellent piece of literature with which to introduce people to Georgist ideas.

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50 East 69th Street, New York 21, N.Y.

Coming next month—reviews on two important new publications by the Schalkenbach Foundation: *The Cultural Tradition and Other Essays* by the distinguished author, Francis Neilson; and *A Graphic Summary of Municipal Improvement and Finance* by H. Bronson Cowan.

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