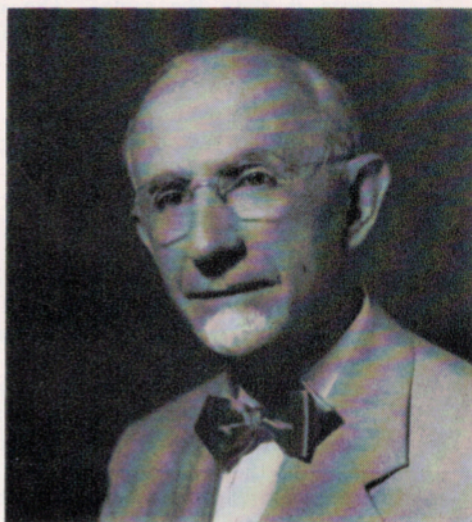


the Henry George News

PUBLISHED BY HENRY GEORGE SCHOOL OF SOCIAL SCIENCE • JANUARY, 1959

O. K. Dorn



A FAMILIAR and much loved figure will be seen at 50 East Sixty-ninth Street in New York no more. Monday was always Mr. Dorn's day. Walking erectly, smiling pleasantly, always courteous, he would greet members of the staff and make his way to the old roll-top desk which for many years was a symbol of his long service. He has been ill for some time in his home at Bronxville, New York, and he died there in Lawrence Hospital on December 28th. A son, Paul F., and his family, survive—also his gentle wife, Amanda, whom he treasured so dearly, and who was as warm a friend of the Henry George School family as her husband. Our heartfelt sympathy goes to her in these days of sadness.

Otto Karl Dorn, who liked to be called O. K. Dorn, when asked for biographical data some ten years ago, revealed that he was born in Cleveland on March 2, 1875, that he had only a common school education to the seventh grade, and that his first job was in a wholesale rubber house at \$6 a week.

After leaving school he attended night school and in 1896 his attention was called to a course in economics in one of Cleveland's churches by Louis F. Post, then editor of *The Cleveland Recorder*. The tuition was free and the only requirement was a pencil and writing pad, and a fifty cent copy of *Progress and Poverty*.

(Continued on page 16)

A Word With You

THE tax muddle is still with us, and from the looks of things will be with us for quite a while.

The inequities and iniquities of the income tax are well known. Periodically, Senate committees hold hearings to reform the darned thing—but it's a case of "the more it changes the more it stays the same." The only serious argument put forth in favor of this abomination is, "Well, what else can we do?"

There is something else to do, my friends. Stop the robbery of taxation, stop taking the fruits of our toil, and let the government subsist on its proper revenue, the rent of land.

Local governments, too, need this basic tax reform. Most municipalities today are hard put to find revenue for needed social services. All sorts of special levies and indirect taxes are imposed, and even city income taxes.

Would it not be vastly better, from every point of view, if the rent of land was the basic revenue for cities? Still, we are confronted with a maze of legal hurdles, vacuous arguments, lethargy, vested interests, the bouncing of responsibility back and forth, and the sheer momentum of a complicated system.

An informed citizenry will eventually overcome these obstacles to land value taxation. Meanwhile, can something practical be done? Yes. The tax system of the United States has one great advantage over the tax system of

many other countries, as pointed out by the Spanish economist, Rogelio Casas Cadilla—and that is, that we do tax land according to its value. It is unfortunate that most of our cities are also required to tax buildings at the same rate (with the notable exception of Pennsylvania), but the land value tax is there.

It is true that there are state constitutional limitations to the degree that land can be taxed. But even if land were fully taxed according to constitutional requirements, it would, in most cases, be more than today.

In nearly all cities, real estate—and especially land—is carelessly assessed. In New York City, for example, real property is supposed to be assessed at 100 per cent of true value, but it seldom is. If land were properly assessed, according to the way the law says it should be, much more land rent would be collected by city governments than is the case today.

Here is something the awakened citizen can do in his own community. Look up land assessments and find out how far the assessed values fall short of what the law requires. In nearly all cases, I am sure they *will* be found to fall short.

Then the citizen can simply propose that the law be observed. No "upsetting of the system," no "utopian dream," just a demand that the current system be made to work.

—Robert Clancy

The Henry George News, published monthly by the Henry George School of Social Science, 50 E. 69th Street, New York 21, N.Y., supports the following principle:

The community, by its presence and activity, gives value to land, therefore the income from land values (rent of land) belongs to the community and not to the landowners. Labor and capital, by their combined efforts, produce the goods of the community—known as wealth. This wealth belongs to the producers. Justice requires that the government, representing the community, collect the rent of land for community purposes and abolish the taxation of wealth.

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The Pittsburgh Graded Tax

by PERCY R. WILLIAMS

ABOUT fifty years ago Pittsburghers became land conscious as well as tax conscious. They had seen a phenomenal increase in land values and vast fortunes built up through speculation. Civic reformers, social workers and other public spirited citizens were impressed with the need for action. Surveys conducted by experts in research strongly indicated that the local tax system had a fundamental relationship to the pressing social and economic problems.

The graded tax plan was not directly related to any political revolution nor to any particular municipal campaign. It was a manifestation of political action facilitated by a civic awakening and growing popular interest. Furthermore, Mayor William A. Magee, elected on the Republican ticket in 1909, indicated an early interest in tax reform and was very receptive to proposals then being advanced, particularly for legislation intended to make possible the equalization of real estate assessments.

In due course the Pittsburgh Civic Commission brought the graded tax plan before the city officials and the general public as a specific project for civic betterment. Its Housing Committee recommended that the tax rate on all buildings should be fixed at only 50 per cent of the rate on land. It suggested that "in order to allow adjustment of investments and prevent hardships," this change should be spread over five years, beginning with a ten per cent reduction in the building rate the first year, and with further

The right of the community to location values and the right of individuals to buildings and labor products, is the principle behind the Pittsburgh Graded Tax plan. At present, the plan is that land is taxed at twice the rate of buildings. It was hoped that eventually the entire tax burden could be shifted to the land, and while this has never been accomplished, a considerable advantage exists even in the partial application.

Percy R. Williams is the executive secretary of the Henry George Foundation with headquarters in Pittsburgh. This article and the three that follow in this issue are all taken from addresses prepared for the conference recently held in Pittsburgh by the Henry George Foundation.

ten per cent steps each succeeding year until the 50 per cent ratio would be reached. Actually the law as passed was more gradual in its application, providing for reductions of ten per cent every third year, so that twelve years were required to bring about the full change then contemplated.

In its report the Civic Commission stressed the results of a survey which showed that land prices were extraordinarily high in Pittsburgh at that time and were in fact, second only to those found in New York. It was pointed out that industries would be slow to locate in Pittsburgh if rents or prices of land were higher than in other cities. Could this paralyzing grip on Pittsburgh's growth be broken?

Pittsburgh single taxers had initiated the movement for the taxation of land values through a rather intensive effort that had been launched several years before this time. They conceived

the idea of inducing boards of trade, the Chamber of Commerce, the Hungry Club and other civic organizations to listen to such single tax lecturers as John Z. White, Herbert S. Bigelow, Henry George, Jr., Frederic C. Howe, Peter Witt, and Lawson Purdy, then president of the Tax Department of the City of New York.

What pressure, if any, was brought to bear on Governor John K. Tener to veto the bill providing for separate tax rates is not known, but it was signed by him on May 13, 1913 to become effective at the beginning of the fiscal year, 1914. The measure applied to the second class cities of Pittsburgh and Scranton, and while it was evidently acceptable to Scranton, it was distinctly a Pittsburgh project.

There was rejoicing, naturally, in the ranks of the Pittsburgh single taxers. Writing to *The Public*, a weekly journal of opinion, on May 13, 1913, Bernard B. McGinnis, a very active Democrat and single taxer (in later years to become a prominent member of the State Senate and chair-

man of the Allegheny County Democratic Committee) said:

"Pennsylvania may boast of being the first state in the Union to adopt the single tax principle and write it into law. This is an unusual distinction for our city and to single taxers throughout the country such progress in this boss-ridden, machine-controlled commonwealth will, no doubt, be welcome news. Those who worked for the bill during its passage did not, of course, label it as a single tax measure but appealed to the common sense of the members of the legislature. William A. Magee, although regarded by many as a reactionary Republican, is a mayor who does things, and it did not take him long to discover what benefits the single tax principle of taxation would bring to Pittsburgh.

"All this happened in the East, in Pennsylvania, in Pittsburgh. It is certainly a triumph for the loyal little band of single taxers who have been fighting for their cause for the past twenty years in the garden city of millionaires and slums."

"New point in city building: buying air space. The American President Lines for their new offices, to be built in downtown San Francisco, bought from the city the air above a garage that flanks the building site on two sides. This makes it possible for the architects, Anshen & Allen, to cantilever the upper floors fifteen feet on all sides, increasing floor space and light all around."

—From *Vogue*, January 1959



Ernestine Jaediker

How to Win an Argument

by JOHN R. FUCHS

Since the publication of my book, *Constructive Taxation for Free Enterprise*, I have been asked on a number of occasions to speak to groups who had no previous knowledge of this subject, and since many people seem interested in presenting the Georgist philosophy publicly, I offer my experiences for whatever they are worth.

First I prepare my audience. I tell them frankly that what I will propose as a substitute for our hodgepodge tax system may be new, revolutionary and even radical to them. But I remind them that that should not scare real red-blooded Americans, for do we not owe everything we hold dear and sacred, our freedom and our liberties, to a revolution? And if radical, it is only so in the best sense of that term, in that it goes to the root of the evil; that it is in harmony with our ideals of a good government, recognizing the dignity of the individual; that it will make government more simple, more democratic and will create that "opportunity" about which politicians have been orating these many years.

Then I may depict to them the many inequalities in our present tax system and the evil effects of it which are so well known to all of them. I tell them these criticisms have often been leveled against our present tax system, and in a simple way I point out the vast difference between land and personal property.

The questions are an important part of the exchange, and sometimes the most obvious answers are the most difficult to drive home.

Will it produce enough revenue? I tell them frankly that I do not know that it will. And in turn I ask them a question: What would you think of me if I found your purse that you had lost, and I would not return it, because it does not contain enough to satisfy your wants? Of course I go further and try to show why I think that it will produce enough revenue to satisfy the legitimate needs of government. In answering this question the speaker has a fine opportunity to point out how through the simplification of governmental machinery the expenses are greatly reduced. For illustration the income tax: it not only costs the government large sums to process and collect the income tax, but every Tom, Dick and Harry, every individual and every corporation, has to employ extra help in keeping accounts, making reports, trying to find means and ways of getting by, and finding deductions. This surely runs into the billions. All this could be saved.

Then what about the man who has "invested" money in land? You better not tell the questioner that money cannot be "invested" in land. Again I admit frankly that a man who bought a piece of land would be hurt temporarily, if he bought the land for speculative purposes. It is not enough to show that speculation in land is an evil which our system will cure, I go further and show how this so-called "investor in land"—if he bought the land for the purpose it should be used for would be well rewarded in; that

all his buildings, his personal property and his income would not be taxed.

Who wants to own land if only the land is taxed? I find that most lay audiences are completely satisfied when I tell them—you want to own it now when you pay taxes not only on the land but on everything else you own. This may be one of those foolish questions, but no matter how ridiculous it seems, it must be answered. Also it presents an opportunity to point out the obvious. You know of course the most effective speech is one that begins by telling the audience what they already know and building on that.

"If what you advocate is so good

why has it not been tried?" Every Georgist has heard that one many times. I point out that not only has it been tried, but it works. "But not in the U.S.?" To this I reply that if they will write to Percy R. Williams of Pittsburgh they will find out that the principle has been in effect there with great success.

Incidentally, I would like to suggest that after students have taken the Fundamental Economics course in the Henry George School they should be taught how it can be applied. For this purpose the speeches of Henry George could be studied rather than his books, for it was in his platform addresses that he spoke directly to the people.



"HENRY GEORGE SINGLE TAX PLAN CAN WORK HERE"

H. Bronson Cowan of Ottawa, author of the carefully documented and illustrated book, *Municipal Improvement and Finance*, published by Harper & Brothers,* was quoted by several Pittsburgh newspapers when he urged at a recent conference that municipalities impose taxes on land only, not on improvements.

Mr. Cowan, as director of the International Research Committee on Real Estate Taxation, reported on the five-year study described in his published report. Speaking of current tax policies he said, "Nothing has been done to control speculation in land values. What has been done has tended to increase speculation.

"The announcement that large sums of government money are available for housing and slum reclamation purposes promotes speculation on a large scale where the monies are likely to be expended. This becomes a sinkhole for a considerable part of the available funds."

Mr. Cowan pointed out two present forms of capital taxation which divide taxpayers into two classes: those who own the better types of buildings and those with the least desirable types of property including slums and vacant areas. Citing his studies abroad, he showed that this tax policy discourages improvement, while the municipal land tax, which in Australia and New Zealand is widely accepted, has a powerful effect on slum and blighted areas. "The worst speculation," he said, "is not on vacant land—it is right in the heart of the city."

George's theories have worked in large cities in Australia and can work in American cities too, this Canadian tax specialist declared.

**Municipal Improvement and Finance*: A Graphic summary of Land Value Taxation in Australia and New Zealand, is available from The Henry George News, 50 East 69th Street, New York 21, N. Y. at \$3.

How Can We Counter World Communism?

by SELIM N. TIDEMAN

THIS country is constantly faced with decisions involving the use of power, ostensibly for the protection of subject peoples. Back of the decision, however, is often the protection of private interests.

Can we as a nation assist in improving the lot of the masses in the backward areas of the world in an economic sense, and at the same time keep them from falling into the Communist orbit? The most important phase of their problem is the land question. They have no source of wealth other than the land on which they labor.

Our principal efforts have consisted of military aid to suppress external aggression and internal discontent, but the landowners have benefited most because they take from one-half to three-fourths of the crops raised by the peasants. Furthermore, instead of conceding that the natural resources of any nation belong to that nation we have in many cases made deals with sheiks and monarchs leaving the common people out of consideration.

What should our policy be? This rich nation can afford to support unemployment along with large military establishments, and can afford the labor and resources to produce vast crops beyond its needs and then keep them in storage till they rot—all this at a cost of billions of dollars. It certainly can afford substantial help to the people on the other side of the globe who are seeking emancipation from hunger. But the answer is not simple. Shall we tell them they must put a tax on

the land? The mobile character of the populations and the existing monopoly of the land would simply make it possible to increase the rent in proportion.

We should first of all, adopt a neighborly attitude toward these nations, trading with them freely and compensating them fully for our exploitation of their resources. This would be a radical measure, but less radical than sending armed forces to protect private contractual rights, or to settle quarrels between exploiting interests, foreign or local. This policy if made clear to the subject peoples, would produce respect that could not be infringed by communism.

However, the principal cause of oppression does lie in the control of land by the local rajas, shieks, and subordinate landlords. A series of articles in *The American Journal of Economics and Sociology*, by R. E. Crist, gives an intimate view of the plight of the fellahin of the Near East. Traveling through Lebanon, Mr. Crist quotes from his diary as follows: "The fertile coastal plains . . . are devoted to plantation agriculture—bananas, loquats and groves of citrus fruits. But the wilderness of rocks and ravines, difficult to penetrate, of the westward slopes of Mount Lebanon, support three times as many people per unit area as do the fertile plains along the coast. The plantation and the large estate are profitable, but they do not support a large rural population, and the profits benefit a small group in the urban centers."

Conditions in the Far East and Latin America are similar. Our rubber, coffee, sugar, cocoa and bananas—much cotton and numerous other such items—come from these plantations. When they are produced at a profit their economy, as we are made to understand it, is good. When the demand for Cadillacs, palaces and foreign investment outruns the income from exports, foreign exchange is exhausted and the economy is bad. The plight of the common man is overlooked but the Soviets will reach him, even if they do their bargaining with his overlords.

In principle, these are the alternatives that present themselves: A) continue military aid and dealings with landed interests, and provide price protection on products similar to that provided for our own farmers, compensating with loans and grants to keep land barons happy; or B) decide that we can get along without these tropical products by using home grown and artificial substitutes so as to release the land for domestic use; or C) find a way to put the necessary purchasing power into the hands of the working masses, so they may buy their necessities in the world market while producing for the world market. This trade should be free of taxation and the profits should be kept within the subject nation and used for local development.

As regards the first of these alternatives, I am fully committed to the belief that supplying arms to these nations is under all circumstances wrong. Freedom and democracy cannot be imposed on a people from the outside. They are relative elements that must first be aspired to and then gained by the effort of the people of the nation.

The Communist state is our enemy. If we understood the reasons for this enmity it might be reduced or eliminated. I would list three possible causes and at the risk of over-simplification

suggest what might be done about them.

At the head of the list is fear. We could expostulate less. We could acknowledge that communism has become an established way of life for a billion human beings. It is evident that the material well-being of the common people has been improved. Coersion and thought control are not essential parts of Marxism, although freedom as we know it, is to them an unthinkable concept. Democracy, as idealized in the constitution of newly formed nations in Asia and Africa, is already in retreat before the traditional forms of autocratic government, and has not been realized in the older republics of Latin America. We should make it clear that we are not seeking to impose our way of life, even on the established satellites of Russia. They will work out their own way. We should also abandon our fear of Communist propaganda—the spies will learn all our secrets, but the advance of communism in a country where 55 per cent of the people own their homes is unthinkable. Our fear confirms their fear of us.

Next to fear, envy is the most purposeless of all vices, and we, ourselves, should avoid it. We should brag less about ourselves and avoid comparisons, taking the position of wishing the Communist states well. Our national ideal of freedom is what we cherish above all—not a surplus of chickens in the pot. Let the Communists make comparisons—we should not deprecate their attempt to catch up with us, nor engage in boastful competition.

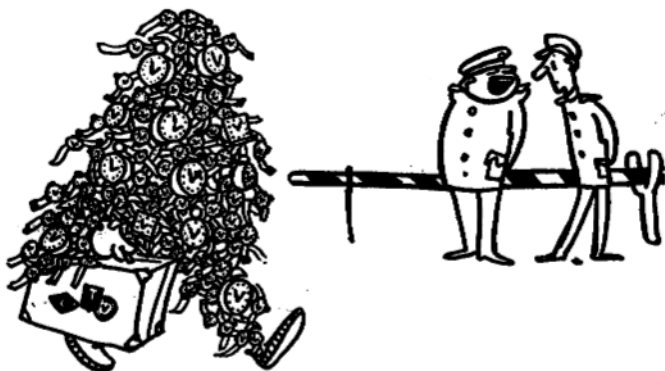
And what about the desire for conquest? It appears established that ideological communism includes this idea. I do not propose that we should let down our guard against this contingency, but I do believe that time will remove this danger. Marx could not conceive that capitalism as he knew it, in his time, would permit

socialism to flourish in any nation, without trying to destroy it by force—hence conquest, to his mind, became necessary.

Because we hesitate to subject our industries to competition, Russia, ready to buy or sell any goods offered in any market, will, as usual, be ahead of us in cultivating nations in need of markets. We cannot forever bribe other nations to restrict their trade with her.

We should, in my opinion follow

the third course, encouraging the maximum amount of contact with the people of Russia and China, and insisting on reciprocal free trade and travel in respective countries. This offer might originally be refused but I believe it would clear the atmosphere. If we could put over the idea of free trade, all fear of war would vanish. The fetish of so-called protection is the most damaging superstition in the world. It makes enemies of nations who have everything in common.



Bulgarian border guard: "What's the matter, haven't you ever seen an athlete coming back from abroad?"

Vecherni Novini (Sofia), June 25, 1958

INCENTIVE BONUS

In December the 1380 employees of Lincoln Electric Company in Cleveland shared their 25th annual incentive pay bonus totaling \$5,147,450. In 1934, when the incentive pay plan was instituted by the president, James F. Lincoln, 398 employees shared \$131,785. This is an annual cash bonus paid to each employee every year, determined by an individual merit rating of his or her job performance. Since 1934, Lincoln employees have earned a total of \$86,461,105 in addition to their regular pay. In accordance with a retirement plan begun in 1936, annuities were purchased this year amounting to \$850,000.

This Lincoln incentive feature has grown into an impressive philosophy widely studied in the industrial world. It has produced an annual company productivity increase which enables them to continue paying wages approximately double the industry average, at the same time holding selling prices close to or below 1934 levels.

The Lincoln Electric Company was founded by John C. Lincoln, president of the Henry George School in 1895. His brother, James F. Lincoln, is now chairman of the board of directors of this famous company.

Noah D. Alper's Brief Cases

THE GREAT INIQUITY IN JAPAN

Jutaro Nagao owed \$62.50 in taxes on his 1237 acres of land 25 years ago and lost his land. According to an AP dispatch from Tokyo, a court recently returned it to him with a U.S. airforce base on and around it with an estimated value of \$2,777,000. How many farm workers or fishermen of Japan, working 50 hours a week, would it take to produce market values equal to this sum of money? This should be a useful item for use by Soviet propagandists.

WRONG-WAY, RIGHT-WAY CORRIGAN

Leo Corrigan "who grew up in a tough section of our town and quit school in the fifth grade to go to work, now owns so many shopping centers he can't count them."

Leaving St. Louis with \$55 in pocket he started buying small commercial buildings. He then foresaw an enormous need for suburban shopping centers and made the decision which was to prove him a genius. Hopefully he began buying likely sites throughout the nation, and after that, it was merely a matter of time before the Corrigans were "fantastically rich."

Modern landlords render great service, and in this service they should be encouraged. "Earthlordism" better describes the evil of it, and should be discouraged. Wrong-way Corriganism is as a site-speculator; right-way Corriganism is as a shopping center constructor. To end wrong-way and encourage right-way, tax site values and untax all results of human effort.

(Above facts are based on Bob Goddard's St. Louis Globe Democrat column, Dec. 22, 1958, referring to an article in the January, 1959, Ladies Home Journal).

A STORY OF SWEAT, BLOOD, TEARS AND RICHES

One of St. Louis's most illustrious men in the field of real estate tells this story.

As a well known authority on real estate, community history and law he is often sought for as a speaker. A men's club group of a local Jewish Temple invited him to speak at their monthly meeting. During his talk he took special pains to tell of many land deals in St. Louis that yielded fabulous returns. You could tell by the looks of astonishment on the faces of many members of the audience that their interest was great. Most of those present had made their money, if they had any, by long hours of hard and concentrated competitive work in suits and dresses, textiles, groceries, drugs, printing and the like.

The time came for the customary question period. A gentleman in the audience arose, and in a hesitating manner — as if the question might be slightly improper, being some kind of a trade secret — asked: "This is all very interesting but the question is what land to buy; how do you know which land to buy to make money like that?"

The speaker replied that he did not mind answering the question. "Go to the County Planning Commission and look at the zoning maps of the County. Look for land areas marked reserved for business and industrial uses. Buy a piece here and a piece there, and wait."

Some years later, as the story goes, a stranger approached this man at a meeting, called him by name, and said he had something he felt he should tell him.

"Do you recollect when you spoke to a certain group at a certain Temple?" he asked. "Well some of us listened to what you said. It made sense. Later we talked it over and formed a small kind of syndicate, each putting in a little money. We did like you said; we bought land in the County, zoned for business and commercial uses, a piece here and a piece there. Well, to make the story short, just the other day we sold our first piece. And would you believe it we got back enough for the first piece we sold to give all of us our money back. We feel we should, at least, thank you."

Freedom at a Price

OUR first salute in 1959 goes to Dorothy Thompson for an article entitled "Can it Be a Crime to be Free?" and to Mr. and Mrs. Bruce Gould, editors of the *Ladies Home Journal* who published it in the December issue.

Estimating that less than ten per cent of our population is engaged in agriculture, Miss Thompson points out that ninety per cent of us do not know that "it has become a crime for a man to insist that he is able to support his wife and family without the aid of the American taxpayers, claiming only the primary human right to be let alone to work out his own destiny, taking his own risks and bearing his own responsibilities."

The article concerns Stanley Yankus, Jr., a Michigan farmer who raises chickens. Since the price of feed is supported at such a high level that it has been priced out of every market, including the American market, this farmer decided to raise his own feed. Here he came into conflict with the soil bank program because he had an allotment of only 12 acres — and only those with an allotment of 15 acres or more were allowed to vote on the original measure. The ASC was therefore put over by farmers owning corporation farms — sometimes representing city syndicates, absentee owners or tax-exempt cooperatives. This system, as the author shows, tends to monopoly with a strong resemblance to collective farms.

Stanley Yankus framed the Declaration of Independence and hung it on his living room wall. He still believes in it, but in another year he may be bankrupt as a result of his insistence on what has heretofore been considered

every American's birthright. Half of his bank account has been seized and his fines have totaled nearly \$5,000.

It is not necessarily true that all self-sufficient, liberty-loving people live on farms, however. Joseph L. Richards of Harvard, Massachusetts, wrote of "another rebel against tyranny" and says "it is too bad he did not drift into a class at the Boston extension of the Henry George School before he made up his mind to lose so much of his exchangeable resource."

This 70-year-old rebel is William F. Bowes, and he is referred to as a "counterpart of Connecticut's famous tax rebel, Miss Vivian Kellems." He is a retired employee of the Metropolitan District Commission and has refused to take more than \$18,000 in back pay and pension money from the state because the withholding tax has been deducted. His pay and retirement checks dating back to October 1, 1943 totaling \$13,635.97 have not been cashed. He has also refused to withdraw \$4,888.98 to which he is entitled, representing his own contributions plus interest from the State Retirement Fund. We are including Mr. Bowes in our rousing 1959 salute.

The president of the Henry George Foundation, Charles R. Eckert, was much concerned about the state of this "monopolized, subsidized, tax-ridden and debt-burdened republic" in his recent address at the conference in Pittsburgh. This is the way he summed it up: "Today free institutions are being tested as never before. There is no body of men and women so well qualified to teach and lead in the reforms that will restore the dream of the founding fathers to its pristine glory, as are the Georgists."



To the Editor:

I would like to receive a comment from someone who feels he has an adequate answer to the following statement in a November Reader's Digest article "I Saw the New Africa," by Clarence B. Randall:

"Certain road blocks must be removed before the new Africa can enter confidently upon a program of economic development. One is land tenure. These new countries have no tradition of private ownership; the land is tribally owned. There was never much incentive for a father and son to improve their farm, for they had no assurance that the son would inherit it. To undertake now to allocate specific parcels to individuals is a prodigious task. Yet, without the power to alienate his land, an individual cannot command the credit with which to buy the tools he needs. A mortgage seems a simple enough mechanism, but for lack of it the nations can starve."

RICHARD W. CARR
Cincinnati, Ohio

Readers are invited to comment on the above.

To the Editor:

I guess Georgists are just naturally reformers and cannot help trying to redress abuses—like Don Quixote. Robert Gross has a letter in the November HGN about the importance of monetary reform and quotes George to support his contention that such reform is as important as land reform. I do not think that George thought so, and I, too, can quote George. In a contribution to a magazine *Once A Week*, in 1894, he said, "money,

important as may be its office as a measure and flux of exchanges, is still a mere counter."

There are many injustices and abuses in the world—many heads of the Hydra—but all of George's several books seem to insist that they depend on the support of land monopoly. Let us not go around tilting at windmills and scattering flocks of sheep.

URQUHART ADAMS
Edmonton, Alberta

To the Editor:

Robert Gross (November HGN) does not realize that monetary reform is but a by-product of two social-theft processes in today's America: privately retained ground rent, plus taxes.

Governor Knight of California in a recent TV interview was asked if it would not be a good idea to eliminate the many defense plants in California because of their population-danger in a sudden enemy attack. His answer was, that eliminating these plants would mean mass unemployment.

Most of the "Help Wanted Male" advertising in large California cities, is for jobs in defense plants. The cost of defense plants reduces the purchasing power of the dollar. A large percentage of the assets of the nation's banks, as listed in their financial statements, consist of U. S. government obligations; the Federal debt. See chapter "Public Debts and Indirect Taxation" in *Social Problems* by Henry George.

HERMAN ELLENOFF
Los Angeles, California

To the Editor:

Steven Cord is quite incorrect in saying (What Is Happening to Economic Rent in the United States? December HGN) that unions have forced wages up by monopoly tactics. There are marginal workers in this country today who eke out a bare living; there are also many unemployed, and families who income has to be augmented by public aid of some sort. The law of wages as stated in *Progress and Poverty* still holds—that wages depend upon the margin of production, that is, the point represented by the productiveness of the best free land available, or, lacking free land, the lowest tolerable point of subsistence.

It is not correct to say that the producer's income is small because the private land rent collection is large. Rent, whether publicly or privately collected is that part of production which is attributable to the use of better land, and not to individual effort; it is not a deduction from wages and/or interest. What we are concerned with is the import of the private rent system upon producers—the fact that it induces withholding of land from use

with consequent artificial lowering of the margin, and thrusts the brunt of taxes on people as producers and/or consumers.

The redistribution of income by political action without regard to its source may seem to nullify the law of wages, but political action cannot produce wealth, nor can it distribute it in a way which accords with man's sense of justice. In the long run its effect is retrogressive; its basic motive is to seize wealth, rather than to encourage its production and equitable distribution.

Regarding the increase of land values: it is a matter of record that even with present real estate taxes, land values have increased enormously above their original point (zero); also, even in recent years, they have increased, percentagewise, far more than wages.

What, then, is happening to economic rent in the United States? It is constantly increasing. And, if the experiences of New Zealand and Australia are any criterion its public collection will cause it to increase vastly more.

RICHARD C. HALL
Boston, Massachusetts

DANISH HOLIDAY GREETINGS

Viggo Starcke, member of the Danish parliament, sent as his Christmas greeting the following good news: We have now more than doubled land value taxation in towns, and have reduced municipal local taxes by more than this revenue. This gives freedom for further progress where local authorities will accept.

THE HOBOKENS WAIT

An item from *Ons Erideel*, a Dutch publication, was translated for us by a loyal reader, J. J. Pot. It concerns a family named Hoboken who, a century ago, owned a lot of 90 acres in the near vicinity of Rotterdam. They did not improve the land, did not build on it, and have paid, since 1870, a land tax of £ 244.

In 1921, in a discussion in parliament, the minister urged that the owner should be taxed at £ 7,000, since the lot, with the town built all around it, was then estimated to be worth at least 3.5 million guilders. Thus in half a century the value increased 30 times.

Next year there will be an exhibition of agriculture in Rotterdam, and as an attraction for visitors a tower is being planned in this area. Some 500 square meters of the land of the Hoboken family was bought for £ 60,000. That is at a rate of 480,000 an acre, or 12 times the value estimated on it 37 years ago.

The School in the News

SAN FRANCISCO friends mourn the death of Glen P. Dutton, who died on November 22nd of a heart ailment. Except for three terms, when he was hospitalized, Mr. Dutton taught every term since he joined the faculty in the fall of 1951. The over-all percentage of students he held through each course was above average—he has 52 graduates to his credit.

Though distressed by unemployment, Mr. Dutton was currently leading an enthusiastic class at Mission High School. The class was completed by Donald R. Bryan who will also teach the new class starting there this month. Mr. Dutton is survived by four children and his wife, Loucille, who loyally supported his dedication to the work of the school.

Tied down at home by a broken leg, Grace Benson, physiotherapist, nonetheless was represented at the physiotherapists' hobby show in the swank Mark Hopkins Hotel. Her hobby—"to try and equip myself with economic fundamentals"—was shown by Donald R. Bryan, who displayed *The Wealth of Nations*, *Progress and Poverty*, the new *Municipal Improvement and Finance* and other books and pamphlets. Mr. Bryan distributed copies of Miss Benson's explanation of her hobby, in which the theory and practice of land value taxation were discussed as one of the fascinating things she had learned. "The study of fundamental economics is therapeutic for the self-centered," she wrote, "because it concerns social conditions, social problems, social principles."

DETROIT welcomed as its December 18th speaker at the Wayne State University, Julius Pliskow, assistant

corporation counsel for the City of Detroit, who spoke on "The Constitutional and Statutory Provisions for General Property Taxation in Michigan." He discussed the meaning of the term "general property" and the limitations on taxes from this source, also the means by which these limitations could be changed. Adam Kempa was the chairman.

Six classes will begin in Fundamental Economics the week of January 19th—two in downtown Detroit, two in high schools and two in libraries.

NEW YORK faculty members will have as their guest speaker on January 8th, Warren Ziegler of the Adult Education Division of New York University, with whom the Henry George School has been co-sponsoring an adult education program (formerly the program of the American Foundation for Political Education). There will also be a film made in Australia by Don Soughan relating to Georgist activities there. A feature of this meeting will be the presentation of certificates to teachers, complete with white, red and gold seals. The white seals will indicate that the recipients have taught from one to nine classes; the red seals go to teachers of ten to twenty-four classes; and the gold seals are for the veterans who have piloted students through twenty-five or more terms.

In the winter term the New York headquarters will offer a fine selection of new and old advanced courses in addition to the usual classes in basic economics. There will be three classes in Applied Economics using two of Henry George's books, with Arthur Fleming, Frank Bang and James A. Murphy as in-

structors. Francis Nicosia will teach the course which follows this, Science of Political Economy, on Wednesday evenings, beginning January 14th.

Economics and Politics is a new advanced course under the direction of Sylvia Wells and Marshall de Angelis. Others are: Comparative Religions with John Gwaltney and guest speakers; Practical Writing by Sydney Mayers; Fundamentals of Political Science with James A. Murphy; India led by Dr. Sant Ram Mandal; and The Wonderful Wealth Machine under the guidance of the author of the book by that name, Phil Grant.

Ezra Cohen, trustee of the Henry George School, will be the first speaker on the Fridays at Eight pro-

gram, January 9th, and will show slides made on a recent visit to Japan, Hong Kong and Thailand. Mr. Tore Hakansson will present "Tribal Dances of India" January 23rd, and will display textiles from a primitive region of India. A film discussion program conducted by Arleigh Chute, the new assistant to the director, will be held on January 16th and 30th.

Mrs. Robert Baker, widow of the former Georgist Congressman from Brooklyn, died November 26th. Mrs. Baker had donated several items from her husband's library to the Henry George School. Another important acquisition to this growing school library was a collection of Georgist periodicals, pamphlets and press items from the estate of the late Gertrude Colles.

PLAN NOW. PAY LATER

Reservations are being made now on the steamer which will carry the good Georgists to Europe for the Tenth International Conference on Land-Value Taxation and Free Trade on the 25th of July in Hanover, Germany. If you've been thinking that you'd like to go abroad in the summer of 1959, this is definitely the way to do it — there's nothing like having congenial company for a voyage, with the promise of social and intellectual delight just ahead.

For particulars write or telephone the Bankers and Merchants Travel Service, 511 Fifth Avenue, New York 17, N. Y.

Those who will have to wait a while longer for their overseas visit, can console themselves pleasantly by coming to the Annual Conference of the Henry George School to be held this year at Rutgers University in New Brunswick, New Jersey in July, just before the international conference (for the convenience of those who wish to join both groups).

GREEN BELT AROUND LONDON?

According to The Appraiser, a newsletter originating in Chicago, a proposal is being considered to offset congestion in London and its suburbs. This would be the establishment of a green belt around the city at the present perimeter, which would be 15 to 20 miles from the center of London and 5 to 7 miles in width. Beyond the green belt, new towns, to be limited in population, would be set up at a radius of 20 to 30 miles from downtown London. This is a serious proposal to limit the expansion of further industry in London proper and its shires, so that if an industry proposes to expand in the metropolitan district, it will not be permitted to do so. If its growth and program so dictate, then the industry will have no alternative but to move to one of the satellite towns, leaving its own industrial site for the use or development by a smaller industry, and the possibility that that industrial site may later be changed in its use so as to become utilized for a lesser use or even for a park or public areas.

(Continued from page 1)

Otto Dorn attended every one of the ten sessions, and stubbornly resisted acceptance of the theories expounded. But he was suddenly made aware of their impact when the minister of the church took issue publicly with the views expressed in the course. Said Mr. Dorn, "in the light of what we had been studying, the pastor's remarks seemed to be absolutely silly and unfounded, so I jumped up on my juvenile feet and rushed to the defense of Henry George. This seems to have allied me to him ever since."

Mr. Dorn believed that was the greatest single factor in determining the future course of his life. In public affairs as well as in private business he made it a point to look for the underlying causes of every phenomenon. Tracing effects to their causes, as Henry George did, enabled him to find answers to problems before they became apparent to others. This gave him an advantage in business and enabled him to make progress in several business ventures.

Following his first job he worked in a retail shoe store in Cleveland, and from that small beginning he became head of the Dorn Shoe Company. In 1920, as head of the Ground Gripper chain of retail stores, he moved the business headquarters to New York.

While Mr. Dorn was active in the Tom Johnson campaigns in Ohio, and

took an active part in bringing about fundamental changes in the Ohio State constitution in 1910, and in 1914 served on the Cleveland Board of Education — he never had any political ambitions.

In New York he was active in the Manhattan Single Tax Club; and when the Henry George School was founded, he helped from the beginning. After its founder, Oscar H. Geiger, died, he became acting director and later a trustee and vice president.

He was named a director of the Robert Schalkenbach Foundation, and in 1941 became president of The American Journal of Economics and Sociology. In 1943 when The Henry George News came into existence he served as a valued member of its Publication Committee.

A notice of Mr. Dorn's death, with a two-column headline, appeared in the first issue of The New York Times published after a nineteen-day strike. This was a significant tribute.

We say, by way of consoling ourselves over these final farewells, that every beginning must have an end. But for a friend, truly noble, understanding, cheerful, uncomplaining, encouraging, generous, warm hearted and wise, we cannot leave it there. We must believe that every end is also a beginning. Let the doors swing open to reveal for him a realm of justice in which he believed and to which he directed a lifetime of sustained effort.

Ezra Cohen has accepted membership on the Publication Committee, a replacement which Mr. Dorn would have heartily endorsed. The new statement of purpose which appears in the masthead on page two is the result of a discussion begun in The Henry George News last May.

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