

the Henry George News

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Pennsylvania Proving Ground

by W. WYLIE YOUNG



THOUSANDS of people in Pennsylvania are hearing about land value taxation for the first time in their lives. In the fall of '59 the directors of the Economic Education League in Albany, under the leadership of Gilbert M. Tucker, asked me to go to Pennsylvania and do what I could to interest cities of the third class in adopting the Graded Tax Law.

We did not know what to expect. Knowing how difficult it has always been to persuade the uninitiated that the elixir of economic life lies in the direction of land value taxation, I undertook the assignment with a few healthy doubts and plenty of misgivings.

There was, however, a new factor involved here. A new law actually permitted cities to transfer real estate taxes from buildings to land value. Its very existence implied that the Pennsylvania legislature had decided

that such a law had merit. In recommending that a city adopt such a tax policy I would not be presuming to argue that land value taxation would set the economic world to rights. I would simply be pointing out how such a change would benefit a particular city.

I soon discovered that having such a law made all the difference in the world. People who would be reluctant to risk their judgment in a critical analysis of the entire system were able to see how such a tax policy would force many vacant lots on the market, bring down the price of land, and encourage new construction by taking taxes off buildings. Many

(Continued on page 15)

A Word With You

IN *Through the Looking-Glass*, Alice walked out of the house to get to the garden, and saw a maze of paths. But no matter which path she took, she always found herself back at the house. After all, it took a special effort to get along in such unfamiliar surroundings.

It is something like that as between our maze of economic problems and the analysis made by Henry George. We may follow just about any current economic situation and we'll soon find ourselves bumping into George.

The recession and its attendant unemployment lands us squarely in George's territory, for his basic work was to track down the answers to these recurrent problems. The perpetual series of strikes and squabbles over wages also land us at Henry George's door. He saw that the fundamental need was to raise the general level of wages so that each would get his full earnings. Then there is the chronic—and currently acute—problem of public revenue and public services. While more and more governmental benefits and involvements are being laid out, there is greater and greater confusion as to how to pay for all this. Back we are at Henry George House! For George's chief implementation was a radical tax reform. The spreading blight of slums in our cities is also right up George's alley. Land value taxation is a potent weapon in the war against slums.

It is quite remarkable how we keep running into George every time we follow the path of an economic problem. Although he worked out his ideas at a particular time and place, although he addressed himself to one basic problem—progress and poverty—yet he somehow touched a vital artery that runs throughout society, he hit upon fundamental underlying trends that still assert themselves today.

In the world at large, too, though the paths stretch far and wide, we keep meeting Henry George. Surely the land question is the bottom question in the ferment going on in Asia, Africa and Latin America, in the global struggle over communism, and in the world problem of poverty, resources and population. Monopolization of land by a few, and the impoverishment of the landless masses—this is the central economic trouble with the world.

There was some excuse for Alice: she had just gone through the looking-glass and it was a strange world that she found. But this is our own world; why are we so confused by it and why do we always get lost in the maze?

And above all—after the paths of economic problems lead so compellingly and so persistently straight to the door of Henry George—how is it that our leaders just as persistently turn away and get lost in the maze again?

—Robert Clancy

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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 rental value to land, therefore the 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 Nose of the Camel

by ALAN ST. DENIS

"QUO VADIS?" is a common Latin expression, which became widely known as the title of an immensely popular *fin de siècle* novel. It is also the name of a splendid (and rather expensive) New York restaurant. However, neither the book nor the dining place has anything to do with this opus. What is of concern here is that "Quo Vadis?" is a penetrating and provocative question, which in English is generally translated to "Whither Are We Going?" There are times when the answer is extremely problematical.

For example, there has existed since the early days of the now historic New Deal a welfare arrangement known as Social Security. It began as a humanitarian plan to provide annuities for the aged, the required funds being generated by a modest tax on wages. Social Security in those days obliged certain workers and their respective employers each to pay a one per cent tax on wages not exceeding \$3000.00 per year. The maximum monthly benefits, payable at age 65, were \$45.60 to individuals and \$85 to families. Both the scope and cost were modest.

Since then, bit by bit, Social Security has been "enlarged." In 1956, women became entitled to benefits at age 62, and in the same year disability benefits were added, payable to the disabled person. The latter benefits in 1958 were extended to dependents of the disabled. By 1960, over fifty categories of employees, not previously covered, were included in the greatly expanded program.

As of 1958, maximum monthly

benefits for individuals rose to \$127 and for families to \$254; and to date the kinds of benefits granted have increased and broadened. Meanwhile, somewhere along the line, the purported practice of handling Social Security as a form of insurance on an actuarial basis ceased operating; thereafter collections went into, and benefits were paid from, general treasury funds.

While benefits have been increasing in type and amount, Social Security taxes have (naturally) risen sharply. In 1950 the total tax was three per cent on wages up to \$3600; in 1954 it went up to four per cent on wages up to \$4200; in 1959 the rate rose to five per cent on wages up to \$4800. The current tax rate is a total of six per cent, which will rise to seven per cent in 1963, to eight per cent in 1966, and to nine per cent in 1969! Moreover, to pay the uncomputable cost of the proposed medical care plan for older people, the President has suggested raising the tax by one quarter of one per cent, and lifting the wage base to \$5000 a year.

So the Congress generously hands out more and bigger Social Security "benefits"—and blandly keeps raising taxes in an effort to keep pace with its own largesse. The camel's nose has been followed into the tent by its head, and its neck is beginning to show. There is a quizzical look on the quadruped's face as it twists its heavy lips. If this metaphoric camel can speak Latin, it is surely mumbling "Quo Vadis?" Who knows the answer?

Sydney Majors

VIEWS THE NEWS

The advent of spring normally brings with it not only sunshine, flowers and romance, but also a rise in the price of gasoline, because of increased demands by motorists and farmers. However, this year the cost of petrol is holding firm, and even dropping in various places, thanks to unusually heavy inventories—and that old Law of Supply and Demand.

* * *

Lompolo Kone, Foreign Minister of Africa's new Republic of Upper Volta, is clearly a gentleman of intelligence, discernment and poignant humor. When, during a visit to the United Nations, he was asked what plans he had for the development of his country, Mr. Kone replied: "To have our people eat enough."

* * *

Understandably popular with thrifty housewives on the northern U. S. border is Canadian bread, selling at 26 cents per 27 ounce loaf, compared with 16 ounce American loaves costing 25 cents; but irate American bakers (having raised a \$20,000 lobbying fund) vehemently demand that Congress take Canadian bread off the duty-free list to curb its import. If Congress heeds the cry, guess who will pay for "protecting" the American baker?

* * *

A skilled artisan named Haj Mohammed Marzouk, employed by the government in Cairo as an embroiderer of holy cloth, complains bitterly that he faces retirement without a piastre saved, because of excessive Egyptian taxation; but the local tax collector, quite unmoved by Marzouk's pained protests, has brought action against him for 212 pounds (\$615.00)

in back taxes, claiming he should have paid income tax as a craftsman, not as a civil servant (who enjoys a lower rate). Marzouk has worked at his job since 1881; he is now 95 years old.

* * *

Soon to be torn down in New York is the Old County Courthouse in City Hall Park, an incredibly ugly edifice which for 90 years has been a curiously appropriate monument to the nefarious glory of "Boss" Bill Tweed. When we observe that this monstrous building, originally designed to cost \$350,000, ultimately cost the good citizens of Gotham over \$8,000,000, further words fail us.

* * *

In the opinion of Robert Fleming, of the Rockefeller Brothers Fund, aid to Africa should be subordinated to trade with Africans; Africans are good businessmen who respect business principles and suspect donors of something for nothing, and the best way to win Africans' confidence is to take them into business partnerships. Since Mr. Fleming's conclusions are based on a twelve-year study, and were well received by an audience representing the U. S. and thirty-five African nations, it seems his remarks are certainly worthy of careful consideration.

* * *

Let it not be said that the spirit of Schubert, Brahms and Strauss no longer lives behind the Iron Curtain, for the Communist party of East Germany has announced a song-writing contest which we think should inspire every composer in the land to tune up his zither. The theme of the song is to be: "The German Democratic Republic as Socialist Fatherland of all Germans."

Natural Vitality Restored

by ROBERT V. ANDELSON

THE earth generates, so to speak, its own means of sustenance. And to substitute for these means, over any length of time, artificial ones, is to leach away the health and vigor of the soil, and to render it incapable of fulfilling its creative task. And so it is with taxes. There is a natural way of raising the revenue required for necessary public functions. The social organism, like the earth, generates its own means of sustenance. And to substitute for these means, over any length of time, artificial ones, is to leach away the health and vigor of the social organism, and to render it incapable of fulfilling its creative task.

Not only is the social organism like the earth in producing its own means of sustenance, but it is literally from the earth that it does so, through processes which are inherent in the morphology of a community. Henry George said in Glasgow in 1889:

"In a rude state of society where there is no need for common expenditure, there is no value attaching to land. The only value which attaches there is to things produced by labor. But as civilization goes on, as a division of labor takes place, as men come into centers, so do the common wants increase and so does the necessity for public revenue arise. And so in that value which attaches to land, not by reason of anything the individual does, but by reason of the growth of the community, is a provision intended—we may safely say *intended*—to meet that social want. Just as society grows, so do the common needs grow, and so grows the value attaching to land—the provided fund from which they can be supplied."

And yet this fund lies virtually untapped, while the body politic meets its needs by extorting from individual producers the fruits of their own toil.

We come into a natural environment which no human hand created, and to which no one individual can claim any better title than another. And we create collectively the economic value of this environment, which is expressed as ground rent. The mere presence and activity of population in a given area, the existence of community services—police, fire protection, schools, roads, parks, sewage, etc.—these are the things which, over and above its natural advantages, give economic value to a site, and without which natural advantages cannot be utilized. Nothing an owner does to improve a specific site has any localized significance in determining its ground rent. A man can build a skyscraper in the middle of the desert and the ground upon which it stands will not be worth a penny more because of it, yet a vacant lot in the middle of town may be worth a fortune simply because of the development around it and the number of people who pass by it daily. In other words, the rental value of land is created by the community.

So we come into a natural environment to which we have no individual claim, but only that fraction of right which belongs to us as part of the community which creates its economic value. Yet with us we bring our persons, to which each of us has an absolute individual claim—bounded, of course, by the provision that he respect the corresponding claims of others. And since, as John Locke af-

firmed, a man's labor is an extension of his person, he has an absolute right to his own labor and to the fruits thereof.

Aristotle defined justice as "giving to every man his due." There are two things which a government can never do and still be just. The first of these is to take for public purposes what rightfully belongs to private individuals. The second is to give to private individuals what rightfully belongs to the public. All wealth which is privately produced rightfully belongs to private individuals, and for the government to appropriate it is theft. But ground rent is publicly produced, and for the government to give to private individuals is equally a form of theft.

Allow me one more quote from Henry George:

"The tax upon land values is the most just and equal of all taxes. It falls only upon those who receive from society a peculiar and valuable benefit, and upon them in proportion to the benefit they receive. It is the taking by the community, for the use of the community, of that value which is the creation of the community. It is the application of the common property to common uses. When all rent is taken by taxation for the needs of the community, then will the equality ordained by nature be attained."

By "the equality ordained by nature" George did not, of course, mean levelling, but rather that equality of opportunity which fosters the emergence of functional superiority.

The keynote of the George philosophy is that what is exacted from a man by the community should be determined neither by the size of his income nor by that of his expenditures, but rather by what he receives from the community. Public revenue should be governed not by the "ability to pay" principle but by the principle of "payment for benefits received." This

is a standard which allows for the maximum of individual choice. It is a standard which forces government to adjust its budget to a finite source of revenue—namely, what the people are willing to pay for socially-created benefits—instead of adjusting its revenue ever upward to fit a spiralling budget. You can talk about limited government all you please, but as long as the state sets the amount of its own income, there is no barrier in principle to total confiscation. However, modest, however innocent, however justified by need, a tax on income or sales harbors within it the germ of arbitrary fiat.

I have already spoken of the imbalance between the individual and society, which is inherent in our present system of taking away individual products for society and giving away social products to favored individuals. To what I said should be added a warning that this system is fast corroding the national character. In his *Saturday Evening Post* article, "Our Federal Tax Laws Make Us Dishonest," best-selling novelist Cameron Hawley asks:

"Why do we have a situation in this country where it is so often more profitable to sell a company—yes, even to destroy it by liquidation—than to go on operating it as a useful and productive entity? Why should a wrecked and mismanaged company be more valuable because of the loss it has piled up than as a sound and going concern? Have we got to the point now where legality is our accepted definition of morality—where a thing is morally right simply because it is legally defensible? Has the income-tax code become the Bible of our faith? Does the voice of conscience speak only in the words of the Internal Revenue Service?"

And he concludes:

"The federal tax structure is responsible for a progressively more and

more serious deterioration of the moral and ethical standards of a substantial segment of our citizenry. What we have created is not a good climate for the souls of men."

Just as the application of natural organic substances can restore richness and vitality to thin, impoverished soil, so can the application of a natural, organic method of public revenue restore harmony to the physical environment. To tax sites at their full annual rental value while removing taxes on improvements, would do away with the incentive to maintain slums, for slums are chiefly the result of land being held for speculative purposes and not improved. It would

encourage home-building by depressing inflated land prices. It would rescue the countryside from suburban sprawl. To substitute the public collection of ground rent for all the multifarious levies which now stifle incentive and strangle production, would generate useful employment for all who care to work. It would prick the bubble of inflation, and exorcise the specter of depression which is inflation's legacy. It would reduce the causes of industrial strife.

—From an address by the director of the San Diego extension of the Henry George School, to the Congress on Balanced Living in Los Angeles in February.

Competition

by ERICK S. HANSCH

COMPETITION is one concept that has caused me much wonderment. Is it really all that which it is claimed to be?

Writers who try to glorify the economic system that is mislabeled capitalism (it should be cannibalism; capitalism is a nondescript term meaning that capital is being used in the production of wealth, and all economic systems, in so far as they deserve to be called systems, use capital) refer to competition as the indispensable ingredient for making the Western economies the most successful of all possible varieties. I beg to differ.

European economies, which we must include in the Western world, have never really shown strength and health pervading them from top to bottom. They have often produced enough sparkle at the top to make the whole thing look glamorous. But the only time there was a convincing display of sufficiency, if not super-abundance, was when the North American

continent was being settled. There was land for any and all comers, and if wages were not high, there was yet hardly any sign of poverty.

With the disappearance of free land, free for taking possession of it, this situation has changed, and it is found that our economy, on close inspection and upon discarding superannuated illusions, resembles very nearly the European ones. The German economy, for instance, has apparently done better for its members than we have for ours.

We know how the situation can be improved. But with the solution of the land problem, what of competition? Does competition lead to social or unsocial behavior? Will it play the same role under site value taxation as it is said to play under the landlord system? Can Georgists conceive of other motivating impulses for economic behavior than competition? It would be interesting to know how readers feel about this.

Noah D. Alper's Brief Cases

OUT OF THE HORSE'S MOUTH

The question is where to buy when you buy land for speculation. To answer this one must know what gives value to land. A land advertisement in a Los Angeles newspaper states: "California has a sooner future, a brighter future and (California City) is a reality right now. The location is the north end of the dynamic Antelope Valley in the path of progress. Industrial expansion is begun in the great, rich North Antelope Valley. Our neighbors include U.S. Borax, Edwards Air Force Base, Texas Aluminum, and dozens more. Big money has been made in California land. How? Simply because when population goes up the value of land goes up and now population is increasing at a faster rate than ever."

So again we find data from the land dealers' advertising which reveals why the publicly earned natural rent-of-land revenue should be used to support government.

IT'S A GREAT TIME TO WORK FOR TRUE TAX-REFORM

"A generation ago our labor press was strident in its condemnation of tax systems which neglected to tax the unearned increment implicit in land holding," states The St. Louis Labor Tribune. "While most of them did not go so far as to prescribe Henry George's 'single tax' panacea, they did denounce the patent injustice of land holdings made more and more valuable by the enterprise of others who built around them and were taxed much higher on the improvements they made than on the land occupied."

"Since World War II, land values in the U.S. have increased by 500 billion dollars—yes, a half-trillion dollars. Yet the beneficiaries of this enormous increase in land values—often farm land used for subdivisions—only paid the normal 25 per cent capital net gains on their bloated profits instead of the progressively higher rates corporations and individuals pay. . . . The largest single inflationary factor in this country today is not the stock market—it is land inflation."

TAX CHICKS COME HOME TO ROOST

Speaking before the Greater St. Louis Chapter for the Advancement of Management, a former Mayor, now president of the Chamber of Commerce, said "a metropolitan area such as ours begins to suffer seriously when it can no longer accommodate industry on proper terms."

He then told how a New York realtor had come to St. Louis to work out an industrial district of some 200 acres. After months of investigation he settled on a tract near Lambert Airport at a price of \$22,000 an acre, which his client reluctantly agreed to pay. On returning to close the deal he found the price had gone up to \$40,000. It is understood that the reason land is so high in St. Louis, as allegedly explained by advisors from three local educational institutions, is that it is "over-taxed."

A SAD-SACK TAX FACT

"Within the last few years many small airports all over the country have closed principally because the land they occupied, being close to cities for the convenience of private pilots, became so valuable for housing and other real estate developments that it could not remain in use as an airport without considerable financial sacrifices on the part of the owners."

This fact was found in a report released by General Elwood R. Quesada and was reproduced in one of a series of articles on subsidiary airports written by Sam B. Armstrong of the St. Louis Post Dispatch as being applicable to St. Louis as well as to Washington, D.C., where the report originated. Today all great cities have these airport problems for large as well as subsidiary purposes. In these areas local city governments have worked to secure "sources" of taxes which gave tax-relief to land and made it high priced and profitable for non-airport uses. Today they sweat for land, seeking federal aid, in the process. Thus do we work against ourselves in tax matters. Yet, it need not be!

GLIMPSES OF PROGRESS—WORLD-WIDE

ON January 1, 1960 a national campaign for "rating reform" was launched in England and Wales. It now has almost 60 local representatives and the support of 15 municipal councils and other associations. On January 1, 1961 a similar campaign was introduced by the Scottish League for the Taxation of Land Values. This will resemble and reinforce the extremely successful campaign by the English league.

The campaign is strictly non-partisan. In a release widely copied by the Scottish press it announced that it would use all lawful means to make known land-value rating as the only fair and practical solution to the problems of "high rates, expensive land, housing shortage and slums." It next cites economic reasons for, and moral justification of, this system where "rates are taken off buildings, factories, offices, dwellings and other improvements—and levied instead on the annual rental value of all land, excluding improvements."

As a result of public meetings, frequently addressed by Mr. V. G. Saldji of London, president of the league, interest has been growing in the selection of a district suitable for a pilot test of the land value system. Manchester, important industrial center, has appealed to its City Council to appoint a special committee to investigate the advantages of the proposed taxation reform.

From a faithful Georgist in France, Pavlos Giannelias, comes the dramatic story of a tax awakening in the city of Sete (some 40,000 population), an active port on the Mediterranean. There the Chamber of Commerce,

wishing to move forcefully in the direction of free enterprise, has introduced the principles of Georgism.

Taking cognizance in their deliberations of the fact that taxation constitutes the legitimate contribution of each citizen to the general expenses of the nation, or the payment for services rendered by the community to all, it should, they said, be apportioned equitably among all, as proposed by Henry George, and later by A. M. Toubeau, author of *The Metrical Tax* (in French).

The happy result of this bold move is that there will be a gradual replacement of all existing taxes by a charge to be placed on land, according to its value when bare. It will be evaluated periodically, in both urban and rural areas.

Our correspondent, M. Giannelias, predicts that eventually there should be noted in this area, an increase in agricultural production, new and higher buildings and improvement of existing buildings, and absence of fraud.

Under a colorful Spanish stamp, comes word that the Royal Academy for Moral and Political Sciences in Madrid has published the award-winning manuscript by Joseph Anglada, of Barcelona. This volume, entitled *The Fiscal System and the Condition of the Working Classes*, is a serious and intensive study of the nature and effect of taxes, their defects and multiplicity, and the relation between prices and wages as affected by direct and indirect taxation.

The second part deals with "The Perfect Fiscal System," its ethical foundation, cheapness of collection and favorable effect on production.

The perfect system as outlined is none other than the single tax on land values, and examples are produced from several countries leading to favorable conclusions.

As a suggestion, if anyone wishes to place in the hands of a Spanish-speaking person not yet acquainted with English, this practical and useful book dedicated to the betterment of public administration, any such request will be promptly referred to the proper sources in Spain.

What we failed to include in the report of Robert Clancy's "Caribbean Cruise" (January HGN) was that the meeting at which he spoke in Ponce, Puerto Rico on December 18th was "the scene of one of the most brilliant social activities of the winter season." At the banquet were socially prominent guests as well as distinguished figures from the banking world, business, the press and radio. This news appeared in the Puerto Rican school bulletin, and translator Matthew Ossias of the New York staff made the discovery.

The report lists 35 graduates in the fundamental course and 24 in the advanced courses. The Science of Political Economy is now being offered; also Public Relations, a series of lectures.

The director of the school, Edwin Rios Maldonado, indicates the quality of this effort by taking as his standard the dictum of the Cuban philosopher Caballero: "Education is more than mere schooling. It means char-

acter development, and must be done by example. An educator must be a living 'Gospel.' Children must learn that to work is honorable. Idleness is the mother of all the vices. Progress is evident among a people when there is incentive to work."

This vigorous school is already thinking of having a radio program. They have organized their own library with the help of books sent by the New York director, Robert Clancy; and they plan to show the film "Land—and Space to Grow."

An impressively printed and bound bill received from the Montreal director, presents the proceedings of a special committee of the Senate on "Manpower and Employment." The presentation was made by The Canadian Research Committee on Taxation, the chairman and all members of which are Montreal Georgists. The committee's appearance at the Senate gave them prestige which will be useful in publicizing the work of the school. Also, unquestionably, it was a very good experience.

Senator Roebuck, a veteran Georgist and Legislator, was present and exceedingly helpful as the hearings proceeded and reports were made revealing impressive evidence of the need for a modification of fiscal policy, which could be applied not only at the federal level but at the provincial and municipal levels of government. This is the use of land value taxation and it was convincingly pointed out that its application would promote employment and national prosperity.



"If you make plans for one year, plant rice. If you make plans for ten years, plant trees. But if you plan for a hundred years, educate the people."
—Chinese Proverb

There Is A Better Way

"HOUSING and slum clearance are the responsibilities of the state and local governments, and for the national government to meddle with them is as unnecessary as it is unconstitutional. Furthermore the natural remedy already lies in local and state hands," writes Gilbert M. Tucker in a new booklet entitled "Housing and Slum Clearance *At No Cost*."

Only a slight change in real estate taxation, a local matter, would encourage and promote building improvements and check the objectionable operations which block progress. "Put an end to the taxation on buildings and comparable improvements," he urges, "and impose the entire tax on site values. This would automatically make it profitable to build, to improve real estate and to replace slum buildings."

While a tax on buildings is passed on to tenants, the tax on a lot cannot be passed on—it must come out of the landlord's pocket. Nevertheless, the owner's gains resulting from the opportunity to improve his holdings and put land to profitable use without incurring an additional tax, more than compensates for the relatively small tax increase on the lot.

Such a tax will not, as some have suggested, "kill land values," rather the untaxing of improvements will leave a far better net income to the wise owner-user and make tenure far more valuable."

There follows an orderly and convincing presentation of this method of taxation, after which the author touches on another trouble spot not often brought to our attention.

"The Constitutional limitation which takes these matters out of the hands

of the federal government should also debar the federal government from investigating or sponsoring research on these questions," the author states.

"The common scheme is to seek a petty appropriation, often so trivial that it is easily slid through, to pay for a study, survey, an investigation or a conference, to analyze the problem and to secure data." The next step is often a guided and perhaps pre-arranged effort to seek larger and ever increasing appropriations, and "the game is on!"

The national highway program is one example, the cost of which was many times what was estimated in the beginning. "It is the same with social security, pensions, bonuses, grants and innumerable other areas of jobs, hand-outs and graft. Appropriations have multiplied ten-fold, more often a hundred-fold, and in some cases a thousand-fold." For all such schemes the money comes from the pockets of the householder. "By urging ever-increasing grants of subsidies to states, our Congressional representatives are bribed to forget their oath of office and loyalty to the Constitution," Mr. Tucker warns.

Regarding the urban renewal threat, he emphasizes that there is no Constitutional authority for regarding the affairs of cities as coming within the province of the federal government. The usurpation of rights always leads to further overriding of home rule.

Mr. Tucker is president of the Economic Education League, 17 D. & H. Building, Plaza, Albany 1, New York. These useful and convincing 15-page booklets, which fit into a number 10 envelope, may be ordered from him at no cost for a reasonable number.

The Henry George School in the News

ST. LOUIS is offering classes in widely separated areas—at the extreme north, south and western points of the city. At the eastern boundary you encounter "Ole Man River," but not far from there, at extension headquarters, 818 Olive Street, there is a Tuesday class at 6:15 p.m. "Buy 'oil' for the lamps of economic learning so desperately needed," urges the director, Noah D. Alper.

With the announcement of classes was mailed a variety of printed material, attractive in appearance and well chosen. This included a reprint from News and Views of the St. Louis Academy of General (Medical) Practice; a leaflet offering "The Effective Answer to Communism and Why You Don't Get It In College," by Harry G. and Elizabeth R. Brown (35¢ the copy); Reprints of articles by Frank Chodorov and Raymond Moley from Human Events; and a new two-color four-page pamphlet "Tax-Education Challenged," published by the Public Revenue Education Council of St. Louis. Copies of the latter are available from PREC, Room 308, 705 Olive Street, St. Louis 1, Missouri.

The school bulletin, also replete with news, contained a long list of public places where the film "Land—and Space to Grow" were shown; significant quoted items, including one from HGN; and a poem.

NEW JERSEY, whose Gargoyle continues to sparkle with "sense and nonsense," announced a film program at headquarters, 78 Clinton Avenue, Newark on April 10th. Two films "produced" by Robert Clancy of New York will be shown and will be narrated by him. Another presentation will depict a small mi-

nority able to dominate primary and eventually general election results through operation of party machinery, presented, say the editors, "for your enlightenment."

Oscar B. Johannsen, an astute and frequent contributor to The Gargoyle, pointed out in a letter published by The New York World-Telegram, that "public schools are actually socialized schools since they are owned and operated by governmental units," and instead of arguing about federal funds, tax relief on income and property taxes should be developed to aid parents to defray the costs of their children's education at private schools of their own choosing.

The principles of private enterprise should be applied to education, he said.

DETROIT news is encouraging. A member of the state legislature has submitted a bill to lower taxes on buildings, and a constitutional amendment permitting local bodies to differentiate taxes. This member, Mr. DeMaso, was on the committee with S. James Clarkson last summer, which began a study into land value taxation. Representative Clarkson is now out of the legislature, but the "seed must have fallen on good ground," for this member has proceeded on his own convictions.

"Jim" Clarkson has hopes of winning the mayoralty in his home city of Southfield, just outside Detroit. He is a former faculty member of the Detroit Henry George School, and still talks land value taxation at all meetings, ladies' teas and club meetings—wherever he can get in to explain his program. Does he think he's talking it "too much?" No, his answer is, "I got nominated talking that way!"

LOS ANGELES Assemblyman, Vernon Kilpatrick and others have introduced into the California legislature, a proposed amendment to the Constitution (added to Article XIII) permitting any county, city or district to exempt from taxation, or limit the rate of taxation on, all improvements and personal property.

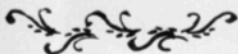
SYRACUSE, after its successful winter class in Fundamental Economics, is promptly starting another one on April 20th. Interest is high, and graduates of the first class are helping to promote the second one. The 13 graduates celebrated their completion at the Yates Hotel on March 22nd with a dinner meeting addressed by Director Robert Clancy of New York City. The instructor, Manny Choper, distributed certificates.

Syracuse's enthusiastic organizer, Betty Breese, reports that Mr. Choper appeared on the popular "Opinion" radio program MC'ed by Peter Scott, the night after graduation. There was an unusually high degree of listener interest and Peter Scott fans say they don't remember such enthusiasm on his part. "We've only just begun," said Mr. Scott—and so say the Syracuse Georgists!

NEW YORK begins its spring term with advanced classes on April 3rd and basic classes the following week. There will be 13 of the latter, from Mondays to Fridays, inclusive. Advanced classes will include: Applied Economics, Current Events, Law of Property, Practical Politics, Principles of Management, Science of Political Economy, Social Psychology, and Advanced Teachers Training.

Dr. Samuel Freeman, president of the New York Adult Education Council, spoke to a group of faculty members in March, and outlined a number of important qualifications for successful adult teaching. These include a better understanding of the arts, sciences, foreign cultures, national values and economics—also more participation in political life, and the ability to "socialize." He said programs for older students should be related to broader interests, and the leader must study attitudes for the trading of ideas and develop an ability and willingness to listen.

Friday programs will include color films on April 7th and 21st; a playlet and poems on April 14th; and color slides of Great Britain on April 18th collected by Mr. and Mrs. Joseph Jespersen.



STOCKS, WHEAT AND PHARAHOES, by William O'Connor. Wener Books Company. 175 Fifth Avenue, New York. \$3.50 soft cover, \$5 hard cover.

WENER Books Company is a new enterprise started by a graduate of the Henry George School, Elaine Wener; and its first book is also by a graduate of the school, William O'Connor (not the trustee of the same name). *Stocks, Wheat and Pharaohs* is a compre-

hensive effort to chart stock prices, test cyclical theories and discover underlying patterns. According to H. J. McCurrach, a market analyst, "Mr. O'Connor has accumulated into this book a vast body of technical detail and fund of professional stock market and chartists' lore and theory. . . . Stock market price charts, the principal subject of the book, are the only clearly unbiased, non-hypnotic source of the most indispensable market information."



I have been waiting for an article to appear in HGN that would give the reason for the depletion of the gold reserves of the government. Although no article gives this information, Sydney Mayers in "Views the News," (March) indirectly gives the reason when he writes . . . "A lessening of speculative pressure on the American dollar in foreign markets . . . resulted in a dip in the price of gold, currently selling again in London at its 'normal' price of \$35.35 an ounce." Notice that Mr. Mayers very correctly put the word normal in quotes. This is the reason for gold leaving the country—that the government has arbitrarily set the price it will pay foreigners for gold!

Should the price be increased by the government, gold would immediately flow back to Fort Knox. Thus the root cause of the fluctuation of the supply is the price fixing. No government can change the natural laws of economics!

SANFORD FARKAS
Boston, Mass.

The article "The Kingdom of Cotton" (March HGN) is depressingly interesting. It is the same vicious circle that occurs in so many areas of economic life. The cotton grower can't make a living, so he gets a subsidy. The cotton exporter can't compete with foreign growers and exporters, so he too gets a subsidy. The American manufacturer can't compete with foreign manufacturers, so he gets protection in the way of tariffs or quotas on imports.

Cure: make better use of the land tax, and reduce or abolish other taxes.

When bread was selling at 24¢ a loaf, I was informed that the tax was 12¢. So I am assuming that the same is true of cotton garments.

Well then, if we could buy shorts, shirts and socks at one-half the present price, perhaps the American growers and exporters wouldn't need protection.

WALTER W. GERVER
Lancaster, Penna.

Enclosed is my check for renewal of my subscription.

Here in Wisconsin we are in the middle of a tax muddle, as they are in Minnesota and other states. Our Governor had a "blue ribbon" tax committee at work many months. Other state committees too are stumbling around with the sales tax, excise taxes, withholding plans, etc. They will get about as far as a bunch of builders, who, in trying to put up a house, scorn the use of a square and a level.

What an amazing paradox that in this scientific age those "statesmen" whom we entrust with the operation of government remain so oblivious of the quite obvious elementary principle that the rental of land is natural public revenue. That plain fact is rarely mentioned. Why is there not someone in every state to bring this to the attention of our dense legislators?

THEODORE BUEHLER
Alma, Wisconsin

I wish to commend Oscar E. Johannsen's article "The Libertarian's Predicament" (February HGN). I plan to send this to an educational publication, the editors of which appear to take the view that statism is the cause, rather than the effect, of loss of freedom.

RICHARD T. HALL
Boston, Mass.

Pennsylvania

(Continued from page 1)

could see the reasonableness of such a proposition but seldom would anyone sense the compelling importance of doing it.

As time went on apathy became my most aggravating problem. Many were inclined to endorse the idea but in the minds of some there would always be a suspicion that this might not be a fundamental reform and that somehow it might have a bad effect upon the general economy. It sounded too good to be true anyway and those who had never heard of land value taxation were always suspecting that there was a catch somewhere.

For six months I concentrated on one town, Franklin. This did provide one advantage. Despite the fact that the local leadership did not possess sufficient perception to bring about the endorsement of the Graded Tax Law, it was the only place where tax figures were made available on an "open stack" kind of arrangement. This permitted me to work unmolested on tax rolls.

Research revealed that all the newer and better homes and most of the average sized homes on average sized lots would enjoy reduced tax bills. It also revealed that sizable reductions would be given to industries, due to the extensive plant equipment usually employed. A few well improved downtown properties would also enjoy tax reductions but the great majority of properties in or near the high land value district would draw taxes higher than before.

When it became apparent to councilmen and to some of the business leaders that they could adopt land value taxation only at the risk of arousing the ire of influential owners of key properties, who had allowed their holdings to deteriorate across the years, all the promised advantages

of the changeover were discounted. Indeed, this is the predicament that any and all advocates of land value taxation will have to face whenever such a switch in policy is proposed.

It became apparent that Franklin lacked the courage to initiate a movement for reform. I began to consider how I could most effectively press the issue in other towns.

Dr. Harry Gunnison Brown had been teaching in Franklin & Marshall College in Lancaster, Pennsylvania. He came to Franklin in July to speak to a group of officials from several third class cities. The idea of spending the next year in an effort to help put the idea over in Pennsylvania had been growing on him. It was agreed that he would come to Meadville in the fall and that we would work out a new approach.

When I learned that he had been speaking to service clubs without remuneration I suggested that I select a town, talk to city officials and business leaders and arrange to hold programs in all the service clubs. In this way we would be able to reach a great many citizens and perhaps find doors opened to us that might not otherwise become apparent.

Programs were easy enough to arrange. It was a law so they were inclined to admit that they ought to know about it. Each of us would take a number of engagements and each would have his talk reviewed in the local paper. Everywhere we went we were enthusiastically received. Some towns proved more perceptive than others. We decided to concentrate on the better towns and when all the clubs had been visited we tried to get interested groups to gather for further study.

It always comes out that poorly improved properties are penalized by the land value tax. Despite the fact that removal of taxes from

buildings makes improvements possible and very likely profitable for the first time in years, this is our highest hurdle. If America could be saved by having all taxes reduced for everybody our task would be very pleasant indeed, but we can't seem to come up with such an agreeable arrangement. Our brand of reform is bound to cause immediate pain to a specific few. This is the chief reason it has never been adopted in this country on a large scale.

We are still plugging away. Success in any one city is far from won. However the tide of interest is rising and there is evidence that a willingness to face the issue realistically is growing.

So far we have visited all the service clubs in about fifteen cities, and we know a great deal more than we did a year ago. We have scouted, in one way or another, ten other cities. For the next two months we will be conducting study groups and

class sessions in five of the cities where interest seems to run high. In the fall we will move on to the Pittsburgh district and continue our present method. In due time we hope to be able to announce that the first city in America has adopted 100 per cent land value taxation for its municipal tax program.

Complete land value taxation is wonderful in theoretical prospect. Those who understand how all life would be affected by it often indulge themselves with social castles in the air. Those who dwell upon this subject ensconced in the ivory towers of pure theory need to be reminded that if our dreams are ever to be realized the process of taxing land values must be started somewhere. If we are resigned to wait until we see the complete collapse of our present system and entertain the vain hope that we can then reorganize the world along proper lines we are doomed to bitter disappointment.

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Only three months until the Annual Conference at Hartford Connecticut, July 12-16, at the Statler-Hilton Hotel. Now, not later, is the time to think of all the dynamic features of Georgism which should come up for discussion during that time.

And in just two months, June 21st, at New York's Annual Banquet at the Shelburne Hotel, two guest speakers will be Countess Alexandra Tolstoy and Agnes de Mille.

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Apathy can only be overcome by enthusiasm, and enthusiasm can only be aroused by two things: first, an ideal which takes the imagination by storm, and, second, a definite intelligible plan for carrying that ideal into practice.

—Arnold Toynbee

Robert Clancy
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