

the Henry George News

PUBLISHED BY HENRY GEORGE SCHOOL OF SOCIAL SCIENCE • APRIL 1962

John C. Lincoln's "Object in Life"

RAYMOND MOLEY, author of *The American Century of John C. Lincoln* (see page 14) said, in an address at the Henry George School on March 28th, that some eight or nine years ago he was asked to find instructive ways of directing the gift left by Mr. Lincoln for educational purposes. He suggested to David Lincoln that the life of his father was itself a remarkable chapter in U.S. history. Most of his 93 years had covered the greatest century ever given to any country in the world, and they should somehow, he believed, be put in the setting of American history to portray, first, the traditions of freedom that America could give to a poor boy, and second, the contribution this poor boy could make to the country we all love.

This, then, is an American saga—a story of what a man could do before the government started to tell people what to do. Lincoln believed in rolling up his sleeves and working. "But since dependence has become so attractive, it appears as a sort of public philosophy beguiling young and old alike," wrote Mr. Moley in his biog-

raphy about the late president of the Henry George School. "We may wonder sometimes if there will be another career like that of John C. Lincoln. There are other concepts, which have gained great acceptance, that there are newly invented and easier ways to succeed."

We are all the time subsidizing more work, and that isn't the way America grew great, the author said, it grew great by people working, and that's what this book means.

John Lincoln was a genius in engineering. His patents are listed in the appendix to this astonishing book—the 55th was issued posthumously. One enterprise followed another in his busy life. He tried adventures in mining and originated new types of ore extraction. He joined up with another man and they found there was a future in making automobile parts, but the war came along and ended that. However, they got the contract to make spring seats for jeeps—this was a challenge, because there was only space for an inch-and-a-half spring.

(Continued on page 13)

A Word With You

TWO IMPORTANT 19th Century poetic dramatists of Eastern Europe, little known to the West, are Zygmunt Krasinski of Poland, author of *The Un-Divine Comedy*; and Imre Madach of Hungary, who wrote *The Tragedy of Man*.

The Un-Divine Comedy deals with the future, when a revolution of the masses is taking place and the established order is making its last stand. The revolutionary leader, Pancras, confronts the last aristocrat, Count Henryk. Krasinski shows that each one is devoted to a fraction of the truth, and is right only when denouncing the faults of the other. The Count despises the materialistic, ignorant ambitions of the revolutionaries; Pancras castigates the stubborn, false pride of the aristocrats. Both worship false idols. The old order has doomed itself, and the new order, too, will doom itself. Both sides have missed the wholeness of truth which must finally win out some day.

The Tragedy of Man begins with Adam and Eve, just after their expulsion from Eden. Lucifer, in order to show them the futility of their lives, takes them on a trip through the future. They pause at various moments of history, and Adam finds that every promise of happiness turns to bitter disappointment. Law and order, religion, science, revolution—all in turn let man down. They come to the present, when the world has become a market-place, and everything, includ-

ing love and virtue, can be bought for a price.

Then Adam is transported to the future, when the whole world becomes a regimented society with no more individuality (people have numbers, not names), and everything is planned to operate like a machine. Adam is then taken to a more distant future, when the end of the world is near, and man, degenerated, thinks only of his day-to-day survival. Adam, transported back to his own time, despairing at this vision of the future, prepares to commit suicide, but is stopped when Eve announces she is going to have a baby. The Lord has a final message to Adam: "Strive and trust!" All is not lost. There is more than has been shown by Lucifer; man is still free to change things, to choose beauty and nobility.

Just about a century after these two men wrote, their countries were taken over by the Communists. And then in 1956, both Poland and Hungary revolted against their Soviet overseers. The comedy and the tragedy were re-enacted. It did turn out to be an "un-divine comedy" for Poland, as they were able to wring concessions from their masters. For poor Hungary, it was a "tragedy of man."

But Krasinski and Madach, after filling to the brim their cups of bitterness, teach us that the spirit of man can always rise up, that he need not succumb but keep seeking the best way out.

—Robert Clancy

Vol. 25, No. 5

April, 1962

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.

Publication committee: William S. O'Connor, Arnold A. Weinstein and Lancaster M. Greene, chairmen. Editor: Alice Elizabeth Davis. Subscriptions \$2 a year; single copies 20c. Second class postage paid at New York, N.Y.

New Yorkers Are Taken For A Ride

HAIL an empty cab in New York City and tell the driver you want to go to Brooklyn. Ha! More than likely he'll tell you where to go, and it won't be to Brooklyn. Try to get picked up if you're handicapped. Live dangerously, give him a mere 25 per cent tip.

Police Commissioner Murphy had received more than 100 complaints of overloading, overcharging, and refusing to accept individual passengers during the first week of the bus strike. Even before the bus strike the New York World Telegram & Sun ran a series of nine articles exposing "arrogant, abusive, and careless" cabbies. The Police Commissioner said that only a small minority of the city's 35,000 cab drivers are violators, but they smear the entire industry. No one, apparently, has dug very far into the story behind this story.

On behalf of the driver The Telegram reported that drivers who return to the garage with less than \$35 or so on their meters are liable to find that no cab is available for them to drive the next day. The newspaper also pointed out that there is competition from "moonlighters," who drive cabs part-time, skimming the cream off the rush hours and rainy nights. Other than threatening "severe suspensions and possible revocations of their licenses" neither the paper or the Commissioner has a program.

Do cab drivers like to pass up fares? Do they prefer to risk their jobs and their necks by aggressive driving? Do they like to work fourteen hours a day? Hack drivers do what they must do to make a living, and it seems a terrible way, under the circumstances. Then why do some men beg, borrow

and mortgage their future for as much as \$25,000 for the right to own a cab? Ay! There's the rub. An owner is not necessarily a driver. Be an owner. Apparently \$25,000 is not too much to pay for a bit of aluminum that gives you and 11,772 other cabs the right to harvest the daily crop of 1,000,000 fares, plus tips for the driver. There are about three drivers for every cab allowed on the street. There are always more workers than opportunities when opportunity is restricted.

In this land of free enterprise many things must nevertheless be controlled, presumably in the public interest. Thus the city fathers have limited the number of taxi medallions, or permits, to 11,773. The annual fee for this permit was recently hiked to \$50 from \$10 each. Can anyone get a cab medallion merely by paying the city the \$50 fee? Perish the thought. Monopoly privilege is at work here also, as with community-created land values. A striking parallel.

One can't help but apply the "single tax" theory of public collection of publicly created values to the cab situation. The Parmelee Company recently sold hundreds of *their* (?) cab medallions for a reported \$21,000 each. A wholesale price, one supposes. Using this figure, then, we find that the city is "taxing" this \$247,233,000.00 value (that's right, two hundred forty seven million, two hundred and thirty three thousand dollars, or \$21,000 times 11,773) at a bit over 2/10ths of 1 per cent each year. Your home here would take a rate of 4

by **RICHARD VAN HORN**

per cent or so. At \$50 per medallion the city now collects \$588,650 annually. Not very much for a city of over 8 million, having an insatiable need for money with which to build schools, pay teachers, policemen, firemen, pave streets, etc. IF, however, the city were to charge a mere bank interest 6 per cent on the \$21,000 value of each permit, the city *itself* would receive an ADDITIONAL \$14,245,330 per year, at the rate of \$105 per month per cab. Cabbies

we've talked to who *don't* own medallions have said that "a driver with his own cab earns probably \$50 a week more than 'employee' drivers."

There are already a long list of laws to protect the citizens from the many abuses so prevalent today. Rather than condemn cabbies we'd like to see the city take for itself the values it has created by restricting taxi numbers, and free drivers to drive, instead of acting as "tax collectors" for the medallion owners.



IMPORTANT COMING EVENTS

Agnes de Mille will be present at the birthplace of her grandfather, Henry George, at 413 South 10th Street, Philadelphia, on April 14th for a dedication ceremony. A new tree has been planted in front of the former dwelling, now the headquarters of the Philadelphia extension of the Henry George School. The tree will be dedicated at 3 P.M., and visitors will then gather inside the historic building for a further ceremony at 4 P.M.

Among other ~~celebrated~~ guests who will participate are: Catherine Drinker Bowen, author of *Kennedy and Company*; Grant Simon, Chairman of the Philadelphia Historical Society, and other officials from Philadelphia.

A dinner will follow at ~~Kugler's~~ Restaurant, nearby, at 6 P.M. This will conclude an event that many friends and donors have looked forward to for many months. Miss de Mille has assisted in the restoration of her grandparents' home and has contributed valuable heirlooms which may be viewed by visitors. A book containing the names of all donors who have contributed to the maintenance of the Henry George Birthplace is also on view.

On June 21st the Henry George School will celebrate its thirtieth anniversary with a banquet at the Governor Clinton Hotel. Friends who may be vacationing in the East in June should plan to include this in their itinerary. The guests will include Professor George R. Geiger of Antioch College, Yellow Springs, Ohio, son of the school's founder, Oscar Geiger, and several of the "boys" who were members of his Round Table Literary Club. One of the most notable members of that group was Harry Golden, newspaper publisher and author, who will be a speaker.

Across the state from Philadelphia, at Chatham College, near Pittsburgh, the Henry George School will hold its eighteenth annual conference beginning July 11th. This is the time when directors of extensions from two countries gather to plan their educational programs for the coming year. There will be speakers of note and serious discussions interspersed with lighter fare.

In 1963, probably in July, the International Conference for Land Value Taxation and Free Trade will meet in Toronto, in conjunction with the annual conference of the Henry George School. This too, is an event which many have long anticipated and hoped for.

How Good Is Our Dollar?

MONEY systems have rightly been considered by Georgists to be passive, like tools, rather than active or initiatory factors. Monetary systems did not arise, and could not have arisen, by political decisions to put into circulation a limited number of tokens, without commodity backing, expecting thereby to insure their acceptability as the medium of exchange. This fact alone warns us to think hard about the practicability of doing away with the gold standard.

In the beginning, as always, men simply did what they could with the means at their disposal to facilitate trade. It is almost an immediate step to measurement of values in terms of articles that are desirable, scarce, durable, rustproof, decay-proof, well-known and most susceptible to division into convenient-sized homogeneous units.

Gold fitted into this category so early and so continuously that for the sake of simplicity, our tracing of the story will ignore the other money-commodities, such as silver, and the unfortunate efforts to maintain a contradictory double standard, that is, the use of gold and silver simultaneously as the backing for money. Furthermore, there is no loss in generality and a great gain in space and clarity if the word "dollar" is used to represent the money unit, no matter what its local name and size.

Those who sought to buy found it most advantageous to accumulate gold. They had to protect it themselves or entrust it to responsible merchants or goldsmiths of repute who had the facilities to determine its quality and weight and to guard it against marauders. The depositor of gold obtained a receipt as evidence of his ownership. Confidence in the custodian or gold-

By MITCHELL S. LURIO

Mitchell S. Lurio is president of Walter E. Heller and Company of New England, Inc., part of one of the largest national commercial finance companies in its field. He is also president and director of the Boston Henry George School. He believes we must not make it easier for political forces to manipulate the monetary system—we must make it as difficult as it is possible to make it.

smith, who later became the banker, necessarily had to exist.

The minting of gold coins by rulers and goldsmiths was a natural development to certify as to weight and fineness. Since such coins were too valuable for petty transactions, the next step was to use accredited and gold-backed tokens, such as special pieces of paper which we can call paper dollars and coins of cheap metal representing parts of a paper dollar. Practical ways of minimizing counterfeiting had to be found and were found. These paper dollars and coins were exchangeable for gold coins or bullion at a fixed ratio per unit, guaranteed by the issuer.

Originally, the goldsmiths printed and issued the paper dollars. Their reputation was such as to endow their paper with the authority of the gold it represented. Sooner or later, governments took over this function, always to protect the people and always, it is sad to relate, to fail them. We need not dwell here on the clipping of coins, the failures of bankers (often caused by other maladjustments), and most significantly the enormous repudiations of government. These start with cancellation of convertibility (as is now the case in our country) and the removal of all bar-

riers to unlimited and unwarranted multiplication of dollars in circulation and in demand deposits. The historical result has always been the continuous and accelerating deterioration of the purchasing power of the monetary unit.

The repeated notion that unemployment may be caused by lack of paper dollars and bank credit plays right into the hands of political leaders who, wittingly or unwittingly, persuade themselves to defer and possibly avoid disaster by means of monetizing government debt. At such times there are always the insiders and the shrewd and the unscrupulous who garner great wealth from inflation, and their influence (and that of the naive) is a potent factor in making the process irreversible.

Simultaneously with the growth of deposits of gold in banks, the issuance of paper dollars and coins and the natural development of a check-book method by which depositors could make transfers of their claims on banks to others, there arose the practice of private borrowing from banks and bank loans to rulers and governments.

Farmers and merchants, in their efforts to maximize their earnings, sought temporary loans to enable them to enlarge their operations. The earliest bankers soon saw that they could lend part of their gold or their credit or their paper dollars for a fee, since there was little likelihood that the depositors would all seek to withdraw their gold at once. Such loans could be made safely to men of proven competence and integrity, usually without any withdrawal of gold from the bank. The borrower was given a credit by the banker, which in effect was equivalent to a deposit by the borrower on which he could draw. Total deposits thus became far greater than their gold backing. There was and is nothing reprehensible about this practice so long

as depositors are aware that such loans are being made and rely upon the judgment and honesty of the banker. Loans bring him a revenue which permits the lowering of charges for bank services and are also a technological facilitation of industrial growth. Long before government supervision became effective, responsible bankers limited their individual and aggregate loans so as to have a considerable margin of safety. Their own capital and reputations were at stake.

While the additional deposits arising from loans were not backed by gold, they were backed by claims on the goods of the borrowers and the ability to repay when the goods were sold. Over the years, however, bankers found it profitable and permissible to make loans on "values from obligation" as well as "values from production." In the United States, the net result to date is that non-inflationary bank loans on goods are about 70 billions of dollars, and inflationary loans including the bank purchase of government paper are about 80 billions of dollars. The total of 150 billions is backed by about 16 billion dollars' worth of gold. It is also backed by the liquid assets of the borrowers, by their illiquid assets in land, buildings and equipment and the promises of our government based upon its power to tax.

Our current situation is completely upset by the fact that foreign central banks have demand and short-term claims upon our gold in excess of 16 billion dollars. It appears as if there is no gold backing and that we are functioning as usual. That is the reason why new voices are heard as they were in the past, asking that we eliminate all gold backing.

The fact is that we are on very dangerous ground at the moment. By promises not to devalue and the self-interest of foreign banks (whose condition would be endangered if they

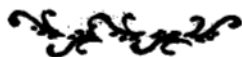
all called for their gold at once and could not get it), we are being permitted to work ourselves out of the situation. Similar situations in Great Britain and in Germany, not too long ago, did enormous damage at the expense of their people.

The questions now before us are: shall we empower our government to regulate continuously the supply of paper dollars and demand deposits, without gold backing, on some as yet undetermined and undeterminable formula and guess as to trends and subject to political pressures of expediency, or shall we go back to the international brake of gold backing. The production and supply of gold, if permitted to move freely, is beyond the control of any single government. Monetary economists call the first the political way and the second the neutral way. One has but to read the history of monetary systems to appreciate the dangers and the inevitability of money depreciation under the political way. It must, however, be admitted that even the second way is charged with danger, for there is no preventing government's changing the definition of the dollar in terms of gold, even

under a full and free gold standard. But changing the definition, which usually means substantial devaluation, is an international event with serious repercussions, and must be sold to the electorate, whereas the political way is gradual, insidious and not in public view.

The dollar can be preserved by balancing exports and imports (visible and invisible, including economic and military aid and subsidy). But so long as we have an inconvertible domestic dollar, there is no restraining government's excesses, except by harsh control measures which are politically unfeasible. The easy and the usual answer under these circumstances is more inflation. This leads to further devaluation or repudiation of our solemn commitments. (In the case of a private firm this is called reorganization in bankruptcy.)

Restoration of the gold standard, at home as well as abroad, would permit the marketplace to bring about the automatic and best balancing of our international activities and the preservation of the dollar at its present valuation.



The interest in the so-called *common market* recalls the success which Great Britain had with its version of free trade in the 19th Century. As a result of the work of Cobden and Bright, England removed its protective tariffs and imposed only tariffs for revenue. In comparison with other nations it was a free trade country. Removing the chains shackling her import-export trade naturally resulted in improved economic conditions. Initially the people were probably better off, but when the effects of the freer trade worked throughout the economy they found themselves in no better condition.

The people in the Common Market countries will suffer the same fate unless they awaken to the land problem. With increased economic well-being, the rent of the land will rise which will tend to absorb all of the benefits. They will not understand what is happening. They will note that a particular industry appears to be suffering from too much foreign competition. It won't, then, be long before the various countries will start to put up higher barriers not only as regards nations outside the Common Market but among themselves. The only thing that might prevent this from happening is that as the Common Market fails people will, for once, not jump to conclusions and instead question why. If this directs their attention to the land question some ultimate good may come from it. Free trade is really free men applying their God-given talents on free land.

—Oscar B. Johannsen

Noah D. Alper's Brief Cases

"You must understand that a taxman's life is hard, the hours are long and you won't get rich . . . But, OH, MAN! . . . that great feeling of power!"
—From Grin and Bear It—By Lichty

THE PROCESS AT WORK

A resolution introduced by the Board of Aldermen of the City of Saint Louis, approved by a vote of 27 to 0, calls upon the assessor to report, among other things, his recommendations as to whether improvements to property should be considered in determining true value in money, and whether or not most of the assessment should be against the land as distinguished from the improvements.
(So the process works. More must work the process of education.)

OIL — ITS OWNERSHIP?

Though the notion of land rent as an unearned income is usually associated with the name of Henry George, classical economists long before he wrote had recognized, rightly, that there is something peculiar in land (natural resources) and the income from land. Adam Smith said "the landlord demands a rent for even unimproved land" and "he sometimes demands rent for what is altogether incapable of human improvement." David Ricardo wrote that "the interest of the landlord is always opposed to the interest of every other class in the community." John Stuart Mill asserted that "the essential principle of property being to assure to all persons what they have produced by their labor and accumulated by their abstinence, this principle cannot apply to what is not the produce of labor, the raw material of the earth."

From: The Price of Middle East Oil, by Wayne Leeman, Cornell Press, 1962.
Wayne Leeman is now a professor of economics at the University of Missouri.

THE POWER OF A TAX

"In Vienna, citizens formally protested the curfew laws which allowed porters and gatekeepers to levy a large tax on any person entering after 10 p.m. Complaints said the law was making the capital a deserted village at night."
—From the files of the St. Louis Globe-Democrat, "75 Years Ago."

"PARASITIC ACTIVITY"

The following quotations from the Legislative Brief submitted to the Government of the Province of Quebec by the Quebec Federation of Labor, regarding the control of real estate speculations as regulatory aspects of planning, are important and worthy of emphasis.

"The excessive speculation practiced today in the Montreal district is well known by everyone. An amazing number of industrial lots are presently in the hands of speculators whose profits bring no economic benefits and constitute a kind of immoral tax on the creative activities and needs of others.

"The reasonable locating of industry, which is one of the aims of planning, is held up by excessive speculation. The high price of lots often forces industries looking for a suitable location to choose less advantageous spots from the point of supplies, market and man-power. It may also be that several industries have to give up their intention to settle in the province due to a lack of suitable lots.

"We suggest higher real estate taxes on speculative investments in non-used lots, as well as on capital profits.

"While real estate speculation affects employment by holding up industrial expansion, it has a similar effect on the home building industry. The price of a lot may reach and even exceed one-third of the value of the building. Today, practically every area of home-building land for people with an average or small income is in the hands of speculators, which creates exaggerated prices and dull-looking and uniform suburbs. The rate of employment and the right of property suffer from this situation."

Subversion by Default

ISN'T IT possible for us to examine the important questions of our time in the manner of the founding fathers? asked Robert E. Allen, Jr. in this abbreviated article published as a long letter to the editor in the Calvert Independent (Maryland).

"Sometime ago I suggested ways and means by which the county could have a both a Bayside Drive and a Central Dual Lane Route at less than current highways cost the average taxpayer. How? By the public collection of the increased values created and made possible by public decisions. Indeed if the people choose to do this one simple thing all public roads, buildings or other programs would be self financing....

"A dual lane highway would make every summer resort more accessible... it would also facilitate the farmer's task of moving his products to market as well as that of our oyster industry. Moreover it would encourage settlement of light industries which will be necessary if we are to keep our young people near their homestead where they have roots—roots that are essential to a continuance of the democratic republic.

"I am so certain that home rule by an alert populace could make both routes possible on a self liquidating basis that I would volunteer to run for public office on an independent conservative ticket for the county commissioner's office any time there was enough interest among Calvert Countians to draft me and themselves for the purpose.

"I would, however, run for public office with a commitment only to God and Country. This readily dooms me to political oblivion, so I ask again, how do we move people to act intel-

ligently in matters of great economic and political importance to themselves?

"Let me try once more by examining another problem facing Calvert County—land use planning.

"Surprisingly enough the farmer needs land use or zoning programs as much as anyone. He has already, in fact, imposed self defeating 'open spaces' legislation. It is true that more farmers can now continue to farm without threat of increased taxes on their land. The real problem, however, remains for they are still in no position to compete with industry in the labor market. Neither can they buy the equipment they need to produce and sustain present profit margins. And worst of all, the marginal farmer who should leave the land for the economically fit and solvent producer, has been made a speculator. Instead of land being made cheaper by a selective tax on land site values and providing for a reduction of taxes on buildings and equipment the opposite has occurred.

"That the farmer will continue to subvert himself I have little doubt. He will do it by default if not otherwise, because land use or zone planning is coming to Calvert County with or without his participation. If his thinking along these lines were as fundamental as his dirt farming he could improve his status—even free himself from government controls (horrors, imagine the farmer being free in a society where his government was compelled to market all he could produce. Why we might raise living standards of whole countries instead of benefiting Communist or Fascist rulers whom we continue to aid with gold and arms).

"But plan and zone we will. We will be compelled to, sooner or later, why doesn't the farmer help? Why does he wait? Is he scared? If so, let me assure him that there is far more for him to be scared of if he does nothing.

"In the course of a recent Chamber of Commerce meeting it was revealed that many kinds of land use planning aids are available from the federal government just for the asking. We were told that this assistance could be had at absolutely no cost to the county —'not even one nickel.' Rest assured then that we will have planning. But don't ask me to believe it will cost us nothing. It will cost us four ways from Sunday. The national debt is already costing the taxpayers 12 billion dollars annually in interest payments alone.

"Yes, planning we will have. The only question is, who will do the planning? Will we allow the decisions to bring windfall profits to some and disaster to others? And, will we make these things financially self sustaining, or tax ourselves into a Communist or Fascist state by enrichment of the 'military-industrial complex.'"

The foregoing letter was intended for publication in HGN last month but was crowded out. Since then the Calvert County Commissioners have passed an ordinance establishing a planning commission. The question arises as to whether or not this was a belated effort of present commissioners to maintain some form of indirect control over county affairs following the November elections. It was generally felt that present office holders could not win.

Mr. Allen has been informed by the editor of the Calvert Independent that most of the opinions expressed in his letters in the newspaper were highly favorable. (Other letters relating specifically to local issues followed the one above published on January 18th.) Many persons told the editor they knew of the writer although they had never met. Mr. Allen says that if he had anticipated such a response he would actually have field for the office of County Commissioner, and he intends to do so within two years. In the meantime he will continue to write and wage war on the potential threats and abuses inherent in the powers of the planning commission he was encouraging.



The first Henry George course being offered in Miami, Florida, is under way at the Drexel School in Miami Beach, being taught by Raymond Abrams.

In Nassau, Long Island, the first graduation dinner was held for students of two classes. Plans are being made to extend activities and to have a large program going in two Long Island counties by fall.

From Buenos Aires comes word that Brazil is at the edge of disaster. The editor of a monthly Georgist publication, *Reforma Agraria*, Mauricio Birabent, has given a series of lectures since the first of the year pointing out that the Communists do not know economics, but he says his efforts are insignificant in view of the urgency of the situation. Attempts were made to gain the interest of local American diplomats but all have failed. "Do they want a new Cuba?" he asks. Mr. Birabent will continue to urge a reform in the tax system similar to that in Jamaica, W.I., and feels he might make some impression if he had more publicity and support.



I INTEND to recommend HGN to friends, and where it seems to be worth while I may also make some gift subscriptions. But I still feel that, good as HGN is, it does not answer—shall I call it the complaint?—that our solution to the tax problem is not presented forcefully enough in the proper places when and where the tax issue or tax legislation is being discussed or debated. Capable representatives of our program should appear and make it known to committees and to the public.

Here in Wisconsin there were months of hearings by the Governor's "Blue Ribbon" (?) tax committee, which finally recommended a sales tax. A Republican legislature passed the bill, and our Democratic Governor signed it. But there was never a peep about the only natural business-like revenue (there was just one I know of, my letter to the *Capital Times*, which was published, and I sent carbon copies to committee members. But that, of course, had little weight).

THEODORE BUEHLER
Alma, Wisconsin

Many of Mr. Buehler's letters to the press are published. One which appeared on January 20th in the *Winona (Minn.) Daily News*, protested imposition of a sales tax as being unjust and impractical. Instead he suggested "many students of taxation and public revenue have pointed out that there are two definite sources

of income: earnings of individuals by labor and investment; and values created by the existence of organized government as represented by the site value of lands and the natural resources in or on the land. . . ."

I'm particularly interested in reading HGN to see the occasional articles where the writers seem to have picked up the same point as myself and, studiously avoiding terms that refer to land *price*, promote the idea, the really central idea, of public collection of economic rent. I find that since I have been talking of "the annual value of land" being the natural public revenue, my effectiveness as a salesman has risen substantially. I find that I can put the Georgean idea across in half the time and with twice as much clarity as before. But you will see more of that when you toil through February's *Progress*.

W. H. PITT
Bayswater, Victoria
Australia

We are advising you of the passing of my brother, Alexander P. Stirlith on January 31st. He was in his 92nd year. He was the last survivor of the Dover Jail Single Tax Club, which was formed by the prisoners who were sentenced to thirty days for obstructing the highways. The campaign was carried on in 1895-96.

FRANK T. STIRLITH
Wilmington, Delaware

LET'S ABOLISH TAXES

"Taxes can be abolished—rent cannot. Rent is the value of location among people. Someone must inevitably collect it, though no one creates it. That someone should be the Public Treasurer."

—Joseph S. Thompson.
Author of *Taxation's New Frontier*

Life on the Mississippi

WILLIAM E. CLEMENT of New Orleans is the author of many books. The latest one to be reviewed in HGN was *Winston Churchill's Anti-Depression Proposal*, in December, 1958. In the second edition of *Plantation Life on the Mississippi** he has given his readers another pleasant experience. This gives pictorial descriptions of plantations along the Mississippi in the Bayou Section of Iberville during the historic 1812 period. It is not surprising that he writes, "the days of my childhood were happy indeed." "Retreat Plantation" was the home which sheltered him along with two older generations and a number of beloved servants who were a part of the family life.

Those were days of "responsible individualism." Hospitality reigned among friends and it was marked by formality, beauty and honor. But there was also terror from storms, illness, fearsome epidemics and savage attack. In this book one can read of the author's impressions of the first telephone and bathroom—strange innovations, and anyone who has ever lived on the Mississippi will love his recollections of the first steamboat.

Iberville Parish, the Louisiana "sugar bowl" section, with its dignity, self-reliance, resourcefulness and good manners, has been tucked away in America's rich and varied history. Mr. Clement closes with a chapter in which he notes the contrast between the pioneering spirit which made our nation great, and the rise of socialism and the welfare state. He sees many ways

in which the area, which is still his home, could develop industries and make more use of raw materials and surplus crop production, with the view of establishing a more balanced economy. Better land use and use of natural facilities could be brought about, along with improved transportation facilities—but farming is a back-breaking business.

It is his thought that giving the farmer a stake in the land through badly needed change in taxation methods would make for a far better social and political system than the socialistic idea of "land redistribution." He recalls for us the fundamentals of the American Constitution and says we "need a re-birth of patriotism."

He emphasizes that the great problem of the world is land reform. "Governments seize upon this idea because of its appeal to the masses." He speaks of the need for land reform in Cuba, Brazil, Latin American countries and Asia, but also in North America and Europe. "The key to the 'land value taxation' proposal is to gradually remove taxes from man-made products and, again, gradually put them on the land," the author states. "The proposed method of land value taxation means no threat to private ownership. Rather it will bring a restoration of natural healthy growth in thousands of communities where development has been stopped or stunted due to tremendously inflated 'asking prices' for unused, or under-used, land."

*Pelican Publishing Company, New Orleans, 52 illustrations, \$5.50.

A new book, *Wealth and Power in America*, by Gabriel Kolko (published by Praeger), gives facts and figures to show that there is still great inequality in the distribution of wealth in the U.S., and widespread poverty. An extensive review of this book has been prepared by Robert Clancy for a faculty letter distributed to teachers and contributing members of the Henry George School. As this book deserves special attention, a copy of the review will be sent to you on request, if you are not now on the list to receive faculty letters.

(Continued from page 1)

Ultimately that company made all the wire seats for General Motors. The material growth that he made to the United States (and it was considerable) helped to make possible all the other growth; and the dream he had contributed to the ideals of justice and truth in this country.

Referring to Mr. Lincoln's book *Christ's Object in Life**, Mr. Moley said Lincoln was a faithful member of the church, and well acquainted with the Bible. Diverging somewhat from the views of his father, a clergyman, he took a direct and realistic approach and came to the conclusion that since the first three gospels were inconsistent with the fourth, the first three must be right. Furthermore, since the first three gave no evidence that Christ knew he was going to be sacrificed, he drew the conclusion that Christ's mission was primarily to teach brotherhood and to establish an actual "kingdom," or ideal government. While this interpretation is not generally accepted, it does not deny the Christian principles.

Mr. Lincoln was intensely absorbed in the concept of justice. He was a believer in God and a believer in the natural law that within every man there is a sense of right and wrong. That's what drew him to the works of Henry George. After three readings of *Progress and Poverty* he was convinced. He then latched onto the idea of the social value of land, and this remained an abiding conviction throughout his life.

Henry George in San Francisco knew that when he saw some people getting rich without working, out of values created by people who *did* work, something was wrong. He saw that San Francisco was a limited area, just as New York is—so the value of land was wholly out of line. We are having a repetition of this now, the speaker said, the same exploitation is



Raymond Moley autographing copies of his book as Lancaster M. Greene, chairman of the meeting, looks on.

now here in the form of urban renewal, and in the enhancement of real estate along the public highways for which the government is paying. It's a burning issue, he said, as he named a prominent national figure who "made a hundred million dollars in New York slum areas and never built a thing." John Lincoln didn't believe that was the way to get rich.

Raymond Moley, a contributing editor of *Newsweek*, grew up in Cleveland, as John Lincoln did, though "somewhat later." For nearly thirty years he was a faculty member at Columbia University, where he often asked his students if they had ever heard of Henry George. Richard Ely had 46 years to bury Henry George in, he said, and all through his college years it was Ely who was talked about—but Ely was "just as wrong as wrong could be." The concept back of Henry George, Mr. Moley said, is the contribution of the community to the production of wealth. The principle of land taxation must eventually come as a solution, he believes, not for all our ills, but somehow to avoid the devastating effect of the income tax.

***Christ's Object in Life is included in a special offer described on p. 15.**

Two Important Books

THE AMERICAN CENTURY OF JOHN C. LINCOLN, by Raymond Moley. Duell, Sloan and Pearce, New York 1962. 209 pages. \$4.95

Reviewed by LANCASTER M. GREENE

BIOGRAPHIES are popular and informative, and this one of the late president of the Henry George School will be especially appealing to our readers. The author has done an excellent job of bringing to completion this life of Mr. Lincoln from notes assembled by the late John W. Love, a Cleveland journalist.

John C. Lincoln was the tall, lanky, unassuming man who walked into the Henry George School in 1934 and asked if the school could use \$500. The next year he asked what it would do if it had an extra \$5,000 and Otto Dorn, then the director, said it would teach more students the fundamentals of economics and social philosophy.

As Lincoln's investments grew and as his brother James built his arc welding Lincoln Electric Company into an industrial marvel, he added to his contributions. A creative genius in the engineering field, he invented and secured 55 patents from 1891 until 1961, which was two years after his death at 93.

Raymond Moley, for 28 years a political journalist, tells the fascinating story of the son of a Congregational minister and a brilliant and cultured mother, who left a foundation bearing his name with income that reached nearly \$300,000 in 1961. Mr. Moley has been, since 1954, a consultant to this foundation.

John Cromwell Lincoln was born on July 17, 1866. He was one of ten children and outlived all but his brother James. Because the family moved from parish to parish and education was often interrupted, much

of John's schooling came from his mother. He worked his way through Ohio State University where he exhausted everything available in the library about electricity. In 1895 he started the Lincoln Electric Company with \$200 which he received for redesigning a motor for Herbert Henry Dow, who later founded the Dow Chemical Company.

He helped James, 17 years his junior, through Ohio State University and then put him on the company payroll. James F. soon demonstrated sales and administrative ability, and the elder brother in due course was happy to turn over to him the production of the industry which, having become an incentive enterprise, has since attracted attention around the world (see review of book by James F. Lincoln on the next page).

John, the inveterate inventor, was now free to develop in ever new and epoch-making ways. As he led the electrical industry in inventiveness, his brother moved forward with a production and sales team that has kept the company continuously in the forefront of its field.

In 1931 Mr. Lincoln bought a large amount of land near the Camelback Mountains. Realizing that a fine hotel would make land valuable in that area, he built the Camelback Inn, a magnificent showplace which has lured many tourists to Arizona. Later he was introduced to an unsuccessful copper mine in Western Arizona. At the age of 78 he hired engineers to manage this Bagdad Copper operation, and working indefatigably with them, turned it into a profit-maker.

John Lincoln was able to make highly successful investments in land because he understood the Law of Rent. He was never interested solely

in the acquisition of money, but in his land investments he enjoyed proving the validity of the ideas which influenced his entire life. His increment of profit from land came because society added new value, and because he believed that such profits were not morally justified, he included a very large part of his fortune in the foundation dedicated to education in land value taxation and the preservation of the free enterprise system. A chapter titled "Justice Through Land Taxation" will be an inspiration to students of fundamental economics and social philosophy.

Mr. Lincoln, was, at his death, the president of the Henry George School, having succeeded Anna George de Mille, the daughter of Henry George. His association with the movement, and the history of the Lincoln Foundation, are set forth dramatically in "Society Gave and Is Given Unto." As a distinguished memorial to this extraordinary man, the Lincoln School of Public Finance has been established at Claremont Men's College near Los Angeles where four professors will conduct research in the field of land value taxation.

Mr. Moley sums up the brilliant story of a life and a century by saying, "Thus if ever a prophet is justified by the message of time, it is Henry George. And that vindication deserves to be shared by John C. Lincoln, one of the most perceptive and valiant of George's disciples."

*The Henry George School is offering *The American Century of John C. Lincoln*, plus a collection of Mr. Lincoln's published works including the book *Christ's Object in Life*, and the pamphlets, *Stop Legal Stealing*, *Scientific Taxation* and others, all for \$5. Send your orders for this special "JCL package" to the Henry George School, 50 East 69th Street, New York 21, N.Y.

A NEW APPROACH TO INDUSTRIAL ECONOMICS by James F. Lincoln. The Devin-Adair Co., New York, 15 pp., \$3.50.

Reviewed by RAYMOND KASLAS

JAMES F. LINCOLN, an industrialist genius, has vividly described in these pages how the teachings of Christ can be successfully applied to the everyday business world—benefiting not only management, labor and government but also the all important and often forgotten CONSUMER.

His thesis is supported by first hand experience. The Lincoln Electric Company is known for its policy of retaining workers during slack business periods and for the generous bonus plan which was established in 1934—depression years—resulting in wage earners receiving an average of 30 per cent more than they had earned in the previous year. Since the inception of this program, Lincoln employees have received over \$100,000,000 in bonuses.

The greatest fear of the laborer, as well as the dominant fear of the industrialist, Lincoln contends, is lack of income. The industrialist is always aware of the corporation's need of ample funds to keep the business in operation. But quite often he fails to realize that the laborer has more of a need for financial security than the industrialist, because the worker's income is dependent on the job which provides food and the necessities of life for his family. He maintains that in order for the general economy and the company to continuously expand, higher efficiency is essential; but it will only come when the laborer feels free of those innovations which tend to throw men out of work. Mr. Lincoln clearly implies that management is responsible for providing job security and an equitable distribution of profits to the hourly worker.

With increased efficiency wage cost per unit will decline, he says, setting

off a positive chain reaction in our economy and causing the trend of the business cycle to accelerate upwards towards perpetual prosperity. In achieving lower per unit costs the corporation would benefit with proportionally higher profits, wage earners, because of their percentage increase in per unit output, would benefit by receiving larger emoluments, and most of all the forgotten consumer would have the opportunity to buy more at lower prices. World trade would increase tremendously and the demand for workers needed to satisfy the growing market would rise steadily.

Yet it is noted that American industry is gradually becoming inefficient, with increasing friction between management and labor, and more and more mediocrity among the "organizational men." Mr. Lincoln shows that much of this inefficiency results from our tax structure and the government's policy of punishing the successful individual. Henry George also favors the elimination of all taxes with the exception of that on land values (the author grew up in a home where George's views were enthusiastically endorsed. See review of the book about his brother John, page 14). Henry George clearly explains that a tax on wages takes from the laborer what is rightfully his; taxes on production curtail productivity by increased cost and higher prices. Taxes on labor and capital are a burden to society for they stifle the expansion of production and employment. He advocates appropriating the rent of land as a substitute for all taxes now imposed on labor and capital.

Many problems arising in business,

especially those between labor and management, would be solved, Mr. Lincoln believes, by conscientiously practicing the Sermon on the Mount. He maintains that "a sound, healthy and progressing economy resulting from following the Christian ethic is basic to our country's future. We have the ability to lead the world in production as we have done before," he writes, "yet we are being outdistanced by foreign competition in many places. This is no doubt caused to an extent by our drift to socialism. Dependency on government for support weakens people and has always led to the decline of the countries that have adopted it."

If the economy of the nation is to prosper continuously, society must emphasize and develop the highest moral and intellectual qualities in man. Such development will preclude the establishment of a social welfare state which supposedly provides all for its citizens but in turn exacts rigid conformity.

Readers who recall the nation-wide excitement a few years ago when Mr. Lincoln's first book on *Incentive Management* swept the country setting a new standard for industry, will welcome this volume which reveals more of the philosophy of a great industrialist who shares his brother's fame in establishing a business character above reproach. "The successful leader must be completely trusted," the author states, "therefore he must be completely trustworthy." The internationally known Lincoln Electric Company in Cleveland is a tribute to the complete trustworthiness of two Lincoln brothers—James and John.