the Henry George News

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After Free Trade—What?

By SYDNEY MAYERS

THOSE who are devoted to the philosophy of freedom, as best exemplified by the teachings of Henry George, are understandably elated whenever there occurs an event which (even to a minor degree) gives practical application to the principles involved. Let such a phenomenon take place anywhere in the world, and Georgists everywhere are wont to glow with inner satisfaction. Every step, however slight, toward the cherished goal seems a small victory—or at least a mark of progress. Sometimes it is a slight step indeed: a modified form of land value taxation, the decontrolling of a market, the lessening of taxes on the products of labor—or the partial removal of restrictions on international trade. But if it is something, anything, that reflects a logical compliance with the true laws of political economy, it is gladly welcomed.

During the past few years, there has been an increasingly active movement toward what, for want of a more lucid term, is generally called freer trade. Whether any kind of freedom can be measured comparatively is a debatable question; however, if it is not "free," at least it is "freer," and one may justifiably (if skeptically) wonder whether freer trade constitutes the proverbial "step in the right direction." At first glance, the prospect is heartening; it is encouraging to find the leaders of so many nations turning

(*Continued on page* 15)

A Word With You

TWO different kinds of devil plague us (say the Anthroposophists), the Ahrimanic and the Luciferic. Under the influence of the Ahrimanic devil, we seek escape from the world; the Luciferic devil, on the other hand, tries to get us to lose ourselves in the world.

The Georgist is confronted with both temptations. Having learned a great message that could shake the world, he tries to do his bit to shake it—but, like as not, he is met with rebuffs. Then he must decide what to do, and Lucifer and Ahriman are at hand to whisper their messages.

The world is not ready, the world is not worthy, says Ahriman; now that you have Knowledge, you're better than *hoi polloi* on whom you needn't waste your time. The world is shot through with rottenness, and it doesn't do any good to try to correct a situation too far gone. Nobody will understand the truth. Save your breath, find a few people who agree with you and warm your hands at the dying embers of freedom. Some day you might go with them to a far-away island and start up the ideal society—and let the world go hang, which it will.

Some undoubtedly succumb. And then there is Lucifer with his line: Yes, it's nice to have the Knowledge, but why should you expose yourself to the uncomprehending scorn you will undoubtedly meet? Life is difficult enough, why make your lot any harder? Go about your business, make your way, and keep to yourself this stuff that will not add to your popularity. Once in a while you can make a knowing statement that you will privately understand, even if nobody else does—and that will be concession enough to the demands of your conscience.

There are those who succumb to this, too.

Not only individuals, but whole programs are susceptible to these temptations. There have been those activities which involved breaking away from society, cultivating exclusiveness, building up barriers. And there have been other programs which would cause the Georgist identity to be lost, which would so eagerly seek acceptance that, in pursuit of it, that which is to be accepted is surrendered!

The way forward lies in resisting both Ahriman and Lucifer; accepting the world, and being part of it, and seeking to offer the Georgist contribution to it; while at the same time preserving the unique Georgist identity, admitting that this is the way it is and let the chips fall where they may.

We need be neither defiant nor diffident about it, but readily available to offer the knowledge the world needs so much. There are those who will step forward to learn. And there is enough of clear reasoning and high morality in our philosophy so that we need not worry about jeers and attacks.

—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 Tariff Walls Go Down

by CLAYTON C. BAUER

THE arch fiend, Hitler, used to chortle: "You can control people through lies. Make a lie big enough, repeat it often enough, and the people, poor gulls, will swallow it hook, line, and sinker." To what a dismal end that psychopath came! The people—in a global sense—out of sure wisdom and need buried Hitler and his philosophy.

One of the big lies not yet put down is that tariffs are necessary to protect a nation's industry and insure wide-spread prosperity. For a time protectionism, like Hitler's juggernaut, threatened to sweep reason before it. Only now and then did some bold soul, generally inspired by a reading of Henry George's works, cry out against the injustice of taxing incoming goods in order to give an advantage to some special national industry. The costs of such favors always fell on the consumer. And, often, he received inferior goods because of restricted competition.

But the truth will out, and today the tariff walls of Europe, at least, are tumbling down. France, Italy, West Germany, Belgium, the Netherlands and Luxembourg—members of the Common Market—are enjoying such success that their neighbors are clamoring to join. President Kennedy tells us that this nation must also drop these artificial barriers to trade or suffer a protracted economic squeeze, with loss of markets, increased unemployment, a retreat from our former proud standards.

Most important, the Communist bloc is put on the defensive by the practice of a freer trade. Its propaganda falls on deaf ears, its economic penetration is blunted, the world balance of power shifts to those Western nations who make a business of producing and exchanging goods with fewest possible hindrances. This evidence of weakness creates dissension within the regimented areas. The Yugoslavian thumbs his nose at the Stalinists; the Albanian controverts the Yugoslavian; the Chinese Red shakes his fist at Moscow. Socialist solidarity is seen to be a myth. Indeed, 1961 marks a year of Communist reverses in the economic field. Nor is it mere coincidence that this year ticked off vigorous free trade operations by the Common Market nations. As more nations plump for freer trade, you will find the Communist menace diminishing. Khrushchev mellows towards the West as the West extends and deepens its trade ties.

And how does the progressive American industrialist view the move to freer trade? Rochester, N.Y., my native town, a leading industrial center, provides the answer. Its schools, technical and cultural, are of the best. It boasts fine libraries, museums, gifts of citizens. Workers are highly skilled, command high wages, to a large extent own their own homes. Their prosperity reflects the excellent management, the judicious financing of the city's industries, the appeal to world markets of Rochester-made products. The consensus of industry chiefs has the nation gaining from tariff liberalization.

Eastman Kodak's foreign sales chief welcomes tariff reductions on photographic goods sold in other countries. It could mean further expansion of

Kodak plants in Rochester, with myriad benefits to local workers, merchants.

Rochester, famous for quality clothes, boasts such fine tailors as Hickey-Freeman, Fashion Park, Michaels-Stein, Timely Clothes, Bond, others. While the industry as a whole is pinched by the competition of cheap Japanese garments, Rochester concerns expect to continue to command the better, more profitable markets. They stand to gain, too, from tariff drops through savings on British piece goods they buy in quantity.

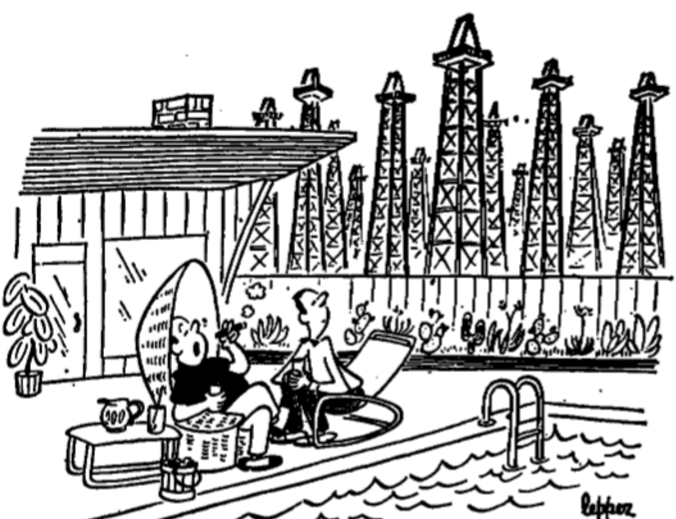
The sales manager of the Gleason Works, gears manufacturer, shrugs off fear of foreign competitors. Gleason exports more than half its production in any case. Its exports increase from year to year. Gleason's customers must be allowed, as the chief sees it, to earn dollars here through sales of their products so they can buy Gleason's products. Tit for tat.

Taylor Instrument exports around 15 per cent of its Rochester output. It meets stiff competition in the sale of thermometers and barometers. Yet the commercial line continues to grow. In the field of automatic control equipment, Taylor engineering know-how commands a market of itself. So long as the research and development department is encouraged Taylor need not be worried about the future.

The Henry George philosophy holds sway even where no advantage falls to the industry. Donald Gaudion heads Pfaudler-Permutit, makers of glass-lined steel tanks. Pfaudler gets around tariff barriers by having branches in every continent except Australia. Yet Gaudion is ardent in his advocacy of an Atlantic Community of free trade nations, Canada, Great Britain, the United States, along with their European neighbors. He calls for ultimate world-wide free trade.

Rochester industrial executives realize that trade must be on a mutual basis, the freer the better. Any other system must eventually break down.

The spirit of Henry George, in enlightened Rochester, at least, continues to light the way to greater prosperity and peace.



"With that and my social security, I manage to get by."

By Lepper, from "Best Cartoons of the Year 1960"

Why *Not* A Depression?

by OSCAR B. JOHANNSEN

ONE of the puzzling facts confronting Georgists is that in the sixteen years since World War II there has been no depression comparable to those which occurred before that conflict.

Henry George in *Progress and Poverty* stated that "the great initiatory cause is to be looked for in the speculative advance of land values." Our daily observations tell us that they have risen tremendously. House & Home appears to corroborate that viewpoint for in its August 1960 issue it estimated that "paper prices for land now total close to half a trillion dollars—nearly twice the national debt, more than six times the federal tax revenue, nearly twice today's price of all listed stocks, more than twice the resources of all our commercial banks."

If that is the case, then why are we not in the throes of a great depression? Some of the reasons advanced are that the socialistic measures of the government, such as social security and unemployment insurance, have tended to mitigate the effects of rising land values. While there is little doubt that such measures have an effect, it remains to be shown why they would prevent a depression from occurring.

George was careful to point out that a depression started when "land values are carried beyond the point at which, under existing conditions of production, their accustomed returns would be left to labor and capital." Thus, even though land values have risen tremendously, production would not cease as long as labor and capital received their usual incomes. Well, are they? To ask that question is to ask if labor is receiving its usual return inasmuch as interest—the capitalist's share of production—is really a deduction from wages. Thus, the question resolves itself into whether labor is receiving its usual wages.

Resort cannot be made to statistics for any definitive answer because statistics in the field of the social sciences are highly questionable tools. If used at all, statistics must be employed with great discretion. Our general impressions are probably a better guide than the mass of statistics so laboriously gathered. We usually test the statistics by our every day experiences, and wages, in general, have certainly risen as a quantity in terms of the exchange media presently being used. For example, office boys today earn about $60 a week, which is almost three times what they received before World War II.

While most would agree that this is true, the question which comes to mind is whether wages have risen in terms of purchasing power. Our experiences tell us that due to the inflation of our exchange media its purchasing power today is about one-half what it was twenty years ago. Therefore, while it is quite certain that wages in terms of our exchange media have risen, it is by no means clear whether wages in terms of purchasing power have risen, remained steady or dropped. Most people, however, cannot help feeling that they are making more now. Even when it is pointed out that in purchasing power they may not be making as much, they still feel they are better off. This may be due to a psychological quirk of human nature. It may be, though, that in a material sense many are better off because inflation acts unevenly. Most prices rise, some stay steady, and some even drop. Due to inventions and improvements the prices of wealth have not risen as much as the prices of services. When the bootblack's shine goes from 10¢ to 25¢ you shine your own shoes and now you have 25¢ with which to purchase some trinket. Inflation tends to direct our purchases toward wealth and away from services so that materially we may be better off, at least before a runaway inflation develops.

While it is impossible to prove, this writer believes that, all things considered, wages for most people either have not dropped in terms of purchasing power, or labor is deceived by inflation into believing they have not dropped. If the foregoing has any validity it would appear that despite the increase in land values, a great depression has not occurred up to now because labor for the most part is, or believes it is, getting its usual return.

This article is an attempt to bring out a probable factor in a boom and bust cycle which is not stressed sufficiently—the inflation of the exchange media. It tends to prolong a boom and may even hasten a recovery from a depression. It is an unhealthy factor but apparently it does exist, and, if that is so, then Georgists must be aware of it.

It would appear that booms of the feverish variety we think of cannot occur unless inflation of the exchange media accompanies the rise in speculative rent. After all, when people buy land at successively higher prices, they cannot buy it all with cash. They must resort to borrowing. If banks merely loan what has been deposited with them, they must soon have to stop. However, if they indulge in the unsound practice of inflating the exchange media through the issuance of notes and the creation of demand deposits which are not backed by goods coming to market but rather by the land which is being sold at prices away beyond productive capacity, they permit the rise in speculative rent to continue. And depressions are usually sparked by banks calling loans.

If land values increase but the exchange media is not tampered with, the boom and subsequent depression will probably be limited. However, when accompanied by inflation, not only will the boom be longer and greater, but the depression will be equally more severe. The boom of the 1920's probably could never have attained such fantastic heights without the establishment of that engine of inflation—the Federal Reserve System—which enabled the banking system to inflate the exchange media far beyond previous limits.

Why have we not had a depression up to now? It is the writer's belief that it is because of the inflation which has kept pace or even exceeded the rise in speculative land values. The boom has kept rolling along because the government has consistently utilized the inflation of the exchange media as a device to counteract any decline in production. In previous eras inflation largely occurred due to unsound banking practices. This does not mean that the government did not adopt inflationary practices at times, but the men in control recognized the dangers involved and so, in the main, used the inflation weapons at their disposal reluctantly. When sufficiently alarmed they took steps at least to slow down the inflation. Today, however, the government uses inflation as a deliberate tool to prevent depressions. The use of this economic narcotic, of course, cannot go on indefinitely. When the depression does occur it will be worse than any previously experienced. The only alternative would be to become involved in a war. But that is really the worst kind of depression because not only does it bring with it all the attendant horrors of stupid slaughter but it results in a greater cessation of production than occurs in an ordinary depression. A depression is a stoppage of production of consumer items. In wartime, though we work hard and produce a lot of war material, we limit the production of consumer items to a minimum. Thus, either way, a terrible depression will be upon us.

When will it occur? It will happen when, despite the distortions and changes in relationships in the economy which are brought about by inflation, labor awakens to the fact that it is not getting its usual return. And as to when that will be, only someone blessed with omniscience can say.

Oscar B. Johannsen is a trustee, both of the New Jersey Henry George School and the Robert Schalkenbach Foundation in New York. He is a frequent contributor to The Gargoyle.

ERIE, PENNSYLVANIA FORMS LAND TAX GROUP

The Erie Land Tax Association has been formed in Erie, Pennsylvania, following on the heels of the endorsement of land value taxation by the Erie Junior Chamber of Commerce.

The Erie Land Tax Association is composed of a number of the leading citizens of Erie who are interested in studying the probable impact on the city's economy if land value taxation is adopted there, as allowed by Pennsylvania law.

The group is headed by Charles A. Hall, office manager for E. E. Austin Builders. William E. Walker, real estate man and owner of Ebco Industrial Park, was elected secretary. Thomas Greene, associated with an Erie bank, was named treasurer.

The new organization, ELTA, will have weekly meetings during which land value taxation will be explored, and if found to be practical, the Erie city council will be urged to adopt it. Studies will be made of Erie property to determine tax savings by industries and homeowners.

Members of ELTA include attorneys, city officials, real estate men, developers and merchants.

Secretary Walker, in explaining the purpose of the new organization, said, "the many proponents of ELTA feel it is the most significant step that Erie can consider to revitalize economic growth of our city."

ELTA has announced four courses in fundamental economics for residents of the city, all to be given in Gannon College in Erie.

PROOF OF PROGRESS THROUGH LVT

Dr. and Mrs. Harry Gunnison Brown, in meeting with audiences in Erie and other cities in Pennsylvania, find them much interested in actual "before and after" figures from cities in Australia which they distribute freely upon request.

For instance, in two cities in Victoria, after their local municipal finance system was changed to exempt buildings and cultivation from local taxes, basing these only on the unimproved capital value of the location, both cities made an enormous advance over their previous high level of building activity—at a time when building in most other provincial areas was at its lowest ebb.

While other cities had made a similar change previously with less spectacular results, these two, Wangaratta and Mildura, were the first to switch all rates to the site value basis and completely exempt buildings. In both cases there was an immediate upward leap in all classes of building—the improvement being greatest in the city where the rate change was most complete. Employment opportunities have, of course, kept pace, and the shopkeepers are in clover, as shopping centers have been transformed in a wave of modernization.

Sydney Mayers

VIEWS THE NEWS

Philosophers may question the virtue of doing the right thing for the wrong reason, but perhaps we should not ponder too critically the circumstances causing President Kennedy to exert his influence toward developing freer trade among nations. Since he correctly points out that lowering tariffs will increase production and employment, let us subdue our regret that political expediency prompts his program, rather than political economy.

* * *

Whatever may be the merits of India's claim to the territory of Goa, one's eyebrows arch high and wide at the sight of pacifist Premier Nehru's bellicous resort to armed force to wrest that tiny community from Portugal. Perhaps the key can be found in The New York Times' mention that "Goa has one of the richest deposits of iron ore in Asia, and also has other important mineral resources in manganese and ferromanganese."

* * *

We wonder how frugal Benjamin Franklin would react to the news that one of his portraits, painted in 1787 by David Martin, which was recently donated to the White House, is valued at $200,000.00. We need not wonder how this value was attained—as in the case of any available commodity, was established in the market-place.

* * *

Having effectively transformed Stalin from demigod to devil, the Soviet Union's current rulers are bestowing similar treatment on Molotov, Voroshilov, Kaganovich and Malenkov, whose once-honored names have been ordered removed from cities, towns, railroad stations, schools and other public places. Do you remember when George Orwell's "1984," a novel about an official re-writer of history, was considered a fantasy?

* * *

President Macapagal has restored a free economy to the Philippines by a far-reaching order abolishing long-standing government controls, declaring: "We have today taken two great strides, one toward prosperity and the other toward freedom; controls have hampered the economic growth of the country and have been a source of graft." Bravo to this doughty little nation, not only for its valor but for its economic wisdom and vision.

* * *

New York's Mayor Wagner, grandiloquently espousing the cause of federal, state and municipal care for the aged, declaims: "My administration is sponsoring legislation to eliminate the obligation of children to pay for parents' medical and hospital care." Well, shall we formally repeal the Biblical admonition to "honor they father and mother"—or just dismiss it as a corny and clearly outmoded sentiment?

* * *

The United Nations, having declared an all-out and rather expensive war against Katanga (whilst blandly ignoring Goa, Angola, Algeria, Vietnam et. al.), finds itself quite broke, and ingenuously proposes a $200,000,000.00 bond issue, of which generous Uncle Sam is expected to take half. That these bonds, if issued, will never be honored or paid is obvious and of little present interest or consequence; What does intrigue us, (as we observe the UN's steady decline), is the question of how much "peace, order and harmony among nations" the proceeds of the bonds will buy.

The Priceless Pearl

ROBERT CLANCY, director of the Henry George School, referred to it as the "pearl anniversary," on the fourth of January when eighty teachers and members came to celebrate the thirtieth anniversary of the founding of the School by Oscar H. Geiger. Paying a tribute to the teachers and contributors, and to the founder, he also reported on the foreign language activity in the Correspondence Department. The course in Spanish was launched first and enrollments are coming in from Latin Americans in large quantities.

"We expect a great success from this work," Mr. Clancy said, and "since ours is a fundamental reform that is not communistic, we might see something happening in Latin America." Translations of lessons have been made by friends who worked with "vim and vigor" and often there were earnest conferences about how certain words should be translated.

Mr. Clancy presented "Henrys" (small bronze-colored busts of Henry George) to a number of volunteers who helped with translations. The recipients were: Rafael Jacobsen, an ex-Cuban journalist; and Cleto Hernandez, a Panamanian who expects to give the benefit of his knowledge to his country—both of whom helped on the Spanish work; Edgar Trier, a French journalist who edited the new French *Progress and Poverty;* and Henri Bellande, a Haitian who assisted with French translations and composed a long letter on the problems of Latin America which was circulated in newspapers there before the advertising for the correspondence course appeared, and was known to have a favorable effect.

Awards are being held for Henry Gieffers, who helped with Italian translation; and Manfred Rochelson who worked on the translation into German.

A special scroll was given to James Murphy as a token of appreciation for many years of service in many capacities, including revision of the teachers' manual, also for his linguistic help.

Dr. Johnson E. Fairchild, Adult Education Director of Cooper Union, New York, the guest speaker, when addressing this 30th anniversary faculty dinner meeting, acknowledged the relationship between Cooper Union and our school (the only two private institutions in New York that give free courses), and said they had "mutual problems and a spiritual feeling for freedom and social philosophy."

Dr. Fairchild has a great belief in adult education and thinks it is one of the most important things in the world, because so many people are trapped in "a lot of little things."

Referring to popular advertisement slogans like "promise her anything but give her Arpege," and "every woman alive wants Chanel number five," he said it appears to be all right to cheat or lie so long as you have a bottle of perfume in your hand. Football teams, too, had better win or not come home —and it doesn't seem to matter how. What, he asked, do you expect from children, when almost everywhere you look this kind of morality exists?

Stating that a commencement is the beginning, not the end, he affirmed that the real job of education begins after college commencement exercises. A college can't teach a person all he needs to know in four years. Education must be a lifelong process. He deplored the sort of adult education that is engrossed with courses in basket weaving and "baton twirling," although he is not against either. Adult education, the speaker believes, must be "the thinking kind." Teach people how to think, he urged. Next in importance is empathy. We must learn to understand how other people think and feel. One of the best ways to approach an understanding of people and the world is through adult education.

But we have to develop teaching and teachers, he pointed out. In the early pioneer days the teacher was a secondary thing, and to this day the teaching profession has not developed as it should. Teaching should be an honored position. But it takes roughly fifteen to twenty years to educate a person, so if you are going to start now to produce teachers, in about twenty years you may have good ones, and in thirty-five years we might have what we ought to have today. We do not face the problem squarely by putting up new buildings, he said. There's a great "to-do" about modern buildings, but if you have a good teacher in a dingy school you'll have a good school. People have to grow up—nobody just jumps into anything.

Today our horizons are almost limitless. We are living on the bottom of an ocean of air, and our concepts for our youngsters will have to deal with the ocean above us. The old orthodoxies are fading or having to be looked at severely. Delinquency comes from the top down. Babies are not born hating. We bring them up that way. We can never allow the schools either the time or opportunity to do it all. Possibly through the kind of work we do in adult education we can eventually have a less trapped type of people, Dr. Fairchild concluded.

A nostalgic note was added when Henry George's connection with Cooper Union was mentioned. Some of those present could recall the evening in 1954 when, at the "diamond jubilee" for *Progress and Poverty,* Lawson Purdy, then aged 90, addressed a group and said, "almost 60 years ago on this platform I nominated Henry George for Mayor of New York."

Mrs. Mabel L. Rees, a volunteer worker at New York headquarters, wrote the following tribute to Oscar H. Geiger. It was read by George Collins:

In a one-man school in a single room,
  Where students were eager but few,
The teacher was Oscar Geiger,
  Whose labor a harvest grew.

With *Progress and Poverty* as a text,
  The scholars could understand
Distinctive rights of labor
  From ownership of land.

What once was a "dismal science"
  Now glowed with inner light;
The Natural Law of Justice
  Shone forth for HUMAN Right.

A man could be a man again!
  Good neighbors all could be,
With true co-operation
  Without dependency.

Though not by "noise and shouting",
  As Henry George well said,
But through *education*
  His message could be spread.

How right he was we now perceive,
  As schools both near and far,
Have shown the great and lowly
  What George's teachings are.

And so to the George School Founder
  Of Nineteen-thirty-two
For *thirty years of leadership*
  We *give our thanks to you.*

You gave of yourself and fortune,
  Advancing a worthy cause,—
May *others* be equally ready
  Your *standards to endorse!*

Three Henry George School friends, in widely separated parts of the country, are preparing to offer classes, using *Progress and Poverty* as the text. They are: Samuel Friedman of Monticello, New York; Raymond Abrams of Miami; and Joseph T. Craig of Fort Worth. The first two were formerly associated with the Henry George School in New York, and Mr. Craig was once a teacher in the Pittsburgh extension. May their example inspire others!

PROFESSOR JAMES L. BUSEY is right in his conclusion (December HGN) that population density is not primarily responsible for extreme poverty. Henry George agreed with him long in advance when he said it is theoretically possible for such an increase in population that we will all be packed like sardines in a can.

Georgists generally insist that the single tax is a basic reform that will make other problems easier of solution. And Josue de Castro, in *The Georgraphy of Hunger,* points out that extreme poverty and malnutrition tend to increase the birth rate. If that is so, and he makes a convincing argument, the proper solution to the problem of too dense populations is to raise living standards and then birth rates will automatically adjust themselves to the needs of society. As George intimated, if we were properly oriented adjustments would be automatic, with no necessity for governmental controls.

URQUHART ADAMS
Peace River
Alberta

Today I read the November issue of HGN and must confess that I am sorry to meet so often the omission of one important word. Oscar B. Johannsen wrote, as have many others, that the solution to the land problem lies in collecting economic rent, but he does not mention the need of abolishing all other taxes, which Henry George emphasized.

"Abolish all taxation save that on land values," said George. He never spoke of collecting taxes without adding a word about the need of abolishing, shifting or substituting the noxious taxes. The collection of economic rent alone; by the most perfect, exact and just land value tax—even to the last penny; cannot change or solve the social problem. Such a reform will accomplish more harm than good unless there is simultaneous abolition.

PAVLOS GIANNELIAS
Lyon (France)

A farmer was asked by a tourist how to get to a nearby town. After several confused attempts to direct him, the farmer stopped, thought a moment, and said, "you know, you can't get there from here."

This story reminds me of those who argue that land value taxation should have been adopted a hundred years ago, or that it will be adopted eventually, but not *now.* "The single tax is just—but not just yet!"

ARLEIGH CHUTE
Menlo Park, California

I am glad that the philosophy of Henry George is receiving favorable publicity, and I call your attention to the suggestion in the enclosed newspaper clipping in which the use of electronic computers is recommended. It seems they do everything but think, and they might prove of value to our cause.

WILLIAM A. GELONEK, SR.
San Francisco

Mr. Gelonek enclosed an excerpt from a newspaper column by Arthur Caylor of the San Francisco News Call-Bulletin. The book, *Taxation's New Frontier* by Joseph S. Thompson, was mentioned as being a safeguard against communism, and applicable to the common market situation. He concluded his remarks concerning the single tax with a suggestion that this matter be submitted to an electronic computer. By feeding it existing tax figures, he said, it might come up with exact answers, thus saving years of trial, error and indecision.

Noah D. Alper's Brief Cases

LAND REFORM — IRELAND 1887

The St. Louis Globe-Democrat, on January 9, 1887, called the offer of the British Viceroy of Ireland and Lord Templeton to sell their tenants the farms they were occupying, at the double market price, "a refined instrument of cruelty, adding insult to injury."

LAND REFORM — IRAN 1962

A proposed land reform law in Iran "would split up huge estates of landlords who own entire villages. [Wall Street Journal, January 11.] Landlords would be permitted to retain ownership of only one village each. Some currently own scores of villages. The law would affect 10,000 hamlets; land would be sold to peasants."

LAND REFORM, EXPORT — USA

President Kennedy said, on his recent Central and South American trip, that there must be land and tax reform. He referred to "agrarian land reform"—gifts of land out of state-owned areas (or sales), or sale of land by big holders, and sharing of the "hard work" land. Land in urban or natural resource areas is not affected. By tax reform the inference is to close the "loopholes" through better tax-collection administration, making the rich pay more—not land reform via tax-reform, which abolishes taxes on the efforts of labor and collects the publicly earned rental value of land for public use. What a sheer travesty on the words so vital to man's freedom and well being—"land and tax" reform!

FORMULA FOR SAVING LATIN AMERICA FROM CASTRO?

Tax and land questions are appearing on the front pages of newspapers today, whether in reference to President Kennedy or the Governor of Puerto Rico, and it's time to stress the economic-science way of land and tax reform while this kind of talk is in the air.

In This Week magazine [Dec. 17, 1961] The Puerto Rican Governor outlined his formula of land reform (breaking up of large holdings and setting up farm cooperatives in which workers shared in the profits; and tax reform to "make certain that everyone bore a fair share of the tax load."

So this is reform? Share the land, but not the great urban values—not the mineral, oil and timber values. The poor land—the hard work land—the marginal land, this is the basis of the land and tax reform. The method—buy the farm land of large holders, divide it among workers and get them to pay the bad taxes so all can carry a fair share of the burden.

TAXES AND REHABILITATION

"With growing speculation that tax assessments contribute to property deterioration, or conversely, that neglected property offers a tax dodge, a definitive study is needed by the Board of Aldermen. The Board seems to be of one mind on the study, judging by its 27-0 approval of a resolution offered by Alderman Harold I. Elbert and John A. Satorius" as reported in an editorial in the St. Louis Globe-Democrat.

"Critics say the present system seems to operate against the property owner, whose assessment is raised as soon as he makes improvements . . .

"Real estate and neighborhood associations, sociologists and tax authorities, recently have become insistent on the need for changes in state and local tax procedures. The present tax formula is based on the assessed valuation of property —and this includes land plus improvements.

"Undoubtedly some tax exemption on improvement would encourage rehabilitation of deteriorated property. This would necessitate a change in the laws which require an equal tax on land and improvements. To base new values mainly on the worth of added improvements, seems unjust and ignores the socio-economic importance of the land to a neighborhood or community."

The Henry George School in the News

SAN DIEGO'S second general membership meeting in January for election of officers and reports, reflected an increased willingness to participate in the activities of the school. While membership fees begin at $1, only those contributing $10 a year or more were entitled to vote.

New members elected to the Board of Directors are: Victor B. Walton, John Nagy and Tillman Schafer. Colonel A. V. Gerard was re-elected president. Other officers are: Dr. Paul Jarand, vice-president; Bernice de los Rios, secretary; and Florence Bale, treasurer.

Classes in Fundamental Economics will begin on February 12th at nine locations. Two classes will explore *Protection or Free Trade?*

A request has been granted for "hurdle credit" by the Grossmont Union High School District, which makes it posible for teachers to apply Henry George courses toward the requirements for salary increases.

The 33rd commencement exercise in December was the largest function ever to take place in the San Diego Henry George School. Honor scrolls were awarded to Louise McLean, Sidney Evans, Captain J. B. Gay, Thurlow Coon, Colonel A. V. Gerard, Commander J. Page Dowden, Henry B. Cramer, Tow Dawson and Nicholas Lenten.

The guest speaker, Richard Russell, publisher of The Dow Theory Letter, predicted the worst ecenomic collapse in the country's history within a year.

ST. LOUIS students have been receiving useful reprints with their work sheets from headquarters. "Use and Abuse of Land in St. Louis County" shows the extent to which Harris Armstrong of FAIA has endorsed Henry George's methods for preventing suburban sprawl, as presented in the Saint Louis Construction Record. "Antidote for Communism" is a reprint of an extensive article by Noah D. Alper, the director, which was published by the St. Louis Academy of General Practice.

PHILADELPHIA welcomed Hal Sager, formerly of New York, as a teacher at the beginning of its term in January. Also in January, the film "Land—and Space to Grow" was presented to a church audience by Paul S. Nix, a recent graduate.

DETROIT'S public spirited Carl Shaw has originated his own "enclosure act." He slips into all his outgoing mail a copy of the HGN statement of principle as it appears on page two of every issue. Read it again—you may find it useful too.

"The tariff fight has started in Congress, which side are you on?" Detroit students will have fewer doubts after a six-lesson course with Robert D. Benton, leading them through *Protection or Free Trade?*

SYRACUSE is issuing cordial invitations for all interested friends to attend one of two spring classes beginning in March at the State Office Building. Emanuel Choper, attorney and student of economics, will again lead the discussions.

At the commencement dinner in December, Ernest A. Cuno of the Home Builders Association of Greater Syracuse, was the speaker. We were in error in reporting that Dorothy Sara of New York was also present. She said she was flattered to have been mentioned, but was present only in spirit, not in the body.

NEW YORK has 13 basic classes in progress at headquarters, with some 350 students enrolled to date. In addition there are 12 regional classes, and these are being conducted for the first time in such widely distant suburban points as Nassau in Long Island, and Fairlawn, in New Jersey.

In addition to Applied Economics and Science of Political Economy, advanced courses are being offered in a variety of subjects. Readings in Philosophy is under Robert Clancy's direction; Great Books are again the province of George Royal; James Murphy is still propounding Money and Credit; Leadership Development and Principles of Management are being led by Nicholas Minaya and Narendra K. Sethi, respectively.

The Speakers Bureau, always an active department, reports that it is swamped with requests for speakers. Twenty-eight addresses were given before various groups in the last quarter of the year 1961.

Friday Evening visitors will welcome the return of Dorothy Sara on February 9th in a talk on handwriting and personality; and on February 16th, Mr. and Mrs. Lancaster M. Greene will have returned from a holiday in Jamaica, W.I., and Mr. Greene will give a first hand report on the progress of the land value taxation program there, along with some investment pointers for 1962. Mr. Greene, a security analyst, is secretary of the Henry George School. Both he and Miss Sara are on the Speakers Bureau.

February 2nd and 23rd will be devoted to films, under the direction of Laurence Kobak.

Peter Patsakos, a teacher at the Henry George School, has joined the staff to assist in the administrative work in the growing international Correspondence Course Department. Following the successful launching of the Spanish course, the School is currently advertising its German course in Germany, Austria and Switzerland, and initial responses are encouraging. The next step will be advertising the French course, and finally the Italian.

THE ACADEMIC TRADITION

Graduates of the correspondence course in Fundamental Economics now being offered by the Henry George School in French, Spanish, Italian and German, will receive their certificates in Latin. The certificate was translated through the kindness of Professor John Richards of Columbia University, who expressed his appreciation that the Henry George School was keeping alive the academic tradition of using Latin. The certificate is worded as follows:

"Praeses et curatores Academiae Georgianae his litteris testificantur ......(Name of student)...... libro ab Henrico Georgio de Progressu et Paupertate scripto rite perlecto, omnia peregisse quae in studiis Oeconomicis imperentur. Henricus enim Georgius, 'Nemo putet,' inquit, 'se nihil valere Qui recte cogitat, quicumque sit, quocumque in loco sit natus, is quasi lumen fit et quaedam potestas."

POPULAR AUTHOR AND PUBLISHER WILL SPEAK

Harry Golden, author of many delightful best-sellers, will be the main speaker at the annual banquet of the Henry George School, celebrating its thirtieth anniversary, when it is held on June 21st at the Governor Clinton Hotel in New York. George R. Geiger, head of the Philosophy Department at Antioch College, is also expected to be present. Other members of Oscar Geiger's Round Table Club, of which Harry Golden was a member, will be in attendance.

The eighteenth annual conference of the Henry George School will be held at Chatham College near Pittsburgh on July 11th. Details of the program will appear in HGN, but it is not too early to mark your calendar.

(Continued from page 1)

from the long-entrenched policy of protectionism. The advocate of free trade hopefully, if hesitantly, asks himself, "Are we really getting somewhere at long last?" He considers the Benelux Pact, the European Economic Community, the so-called Common Market, the multiplying Reciprocal Trade Agreements, even the Communist Economic Bloc; and he dares to wonder whether these straws indicate that a good wind is blowing. Are tariffs, duties, quotas, embargos and other obstacles to international commerce actually being weakened, if not altogether abolished? The very fact that such a question can seriously be asked appears in itself to be a great accomplishment.

The Democratic party of the United States has traditionally been the proponent of the low-tariff policy, but not for generations has there been so powerful a drive against "protective" duties on imported commodities. The present Administration, inspired and led by the President, is waging an all-out endeavor to have this country join the ranks of those intent upon tearing down the barriers to trade among the nations of the world. Moreover, the predecessor Republican administration, notwithstanding its deep-rooted protectionist heritage, strove mightily to bring about freer international trade. As the boys on Madison Avenue say, could this be a trend? Apparently it is a definite trend, which may well become a band-wagon movement, and no one knows where it will end. Meanwhile, should we, we Georgist free traders, applaud—and hope—and pray?

Many followers of the principles of Henry George look at freer trade with jaundiced eye, bluntly proclaiming it a subterfuge, a mockery, a fraud and a monstrous double-cross. Others, more sanguine and less suspicious, have adopted a wait-and-see give-it-a-try attitude. Let us assume that the latter reaction is the more valid; nay, let us assume even more—that "freer" trade will ultimately lead to *free* trade, with every restraint and restriction eliminated. (Admittedly, that is a whopping assumption to make, but let us do so for the moment, and see where it carries us!) So, we have projected our assumption to its ultimate, and accordingly free trade as we envisage it will (on that great day) have arrived. If free trade *per se* is the target and the goal, all should be well, and we would have a right to celebrate with cheers, hosannas and a hallelujah or two. Or would we?

The answer, of course, is a resounding NO. Free trade is not an end in itself. It is not an isolated accomplishment, but merely one aspect of the general concept of freedom. The need is not simply for free trade, but for a fully free economy. True, take the shackles from international trade and forthwith production, wealth, wages and economic interest will increase enormously—BUT so will rent! (Would that the last chapter of George's *Protection or Free Trade* were the first.) Fundamentally, free trade is a stimulus to production; in effect it is a labor-saving device—and like every labor-saving device ever known to man, its inevitable consequence is the devoting of a proportionately greater share of the wealth produced to the payment of rent. Need more be said?

Freer trade is a good thing; free trade is still better. However, free trade is at best but an element of a free economy, which in turn is only a part of that complete freedom of mind and conscience and body that all men should enjoy. To have free trade is not enough. Let us be free men.

"Nostalgic Memories"

by HARRY C. MAGUIRE

ROBERT CLANCY'S article, "The Day the Henry George School Was Founded," (January HGN) awakened nostalgic memories in my mind. I remember the enthusiasm of Leonard Recker—without his driving energy and financing, the School would not have had its own home.

Shortly before Oscar Geiger died, Walter Fairchild had his annual single tax conference at Suffern, New York, and I drove over with my wife. Oscar was in a very serene happy mood as I drove him back to his home and told him a story about my small son's garden. I had told my son that an outsider on the block might come in and pick his beans, and that he would have just as much right to them. The boy indignantly replied that the beans were his, as he had worked for them, and he would "do things" to said outsider. Oscar agreed that even a child understands the rightful basis of property.

One evening after Geiger's death, when the School was on 79th Street, we went to dinner in a shabby old hotel on Amsterdam Avenue. Anna de Mille, Otto Dorn and a few others were there, including a tall, lanky man, plainly dressed, who was introduced as "Mr. Lincoln." He listened attentively and while we were sipping coffee, he asked if the School could use some money. Of course the answer was "yes." He pulled out a check book and wrote a check for $5,000, handing it to Anna. She gasped, "I didn't think there was so much money in the world."

BETTER EDUCATION THROUGH TAX RELIEF

Most Henry George enthusiasts can remember when it was almost an oddity, and certainly a surprise, to find any mention of this "old-fashioned" philosophy in any newspaper or magazine. Now such mentions have become so common that, in the absence of a clipping service, there are undoubtedly hundreds of references that we miss.

Occasionally, however, a thoughtful reader sends a clipping from a local newspaper or national magazine. Dr. Robert Andelson, director of the San Diego extension, noticed this item in The Valley News of December 3rd, published at El Cajon, California, with a report from La Mesa concerning charges brought by the assistant superintendent of a high school against "'illogical, costly, overlapping' state, county and local governments currently administering public education."

Dr. John T. Warburton, a member of a panel in a parent-teacher congress, spoke out emphatically for "better tax equalization throughout state and county; a levy of taxes on services as suggested, historically, by Henry George; and the deduction from federal income taxes of $1 for every dollar spent locally on education." He said these were "three avenues of escape from debilitating property-tax support of education."

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