

# the Henry George News

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## ALBERTA'S HERITAGE LAND VALUE TAXATION

THE decade or so just prior to World War I was the high water mark of liberalism throughout the world and such men as Lloyd George and Winston Churchill in England, Sun Yat Sen in China, Count Leo Tolstoy in Russia, Brand Whitlock, Governor Johnson of Ohio and others in the United States, were actively campaigning for the single tax. In Canada the influence of Henry George's *Progress and Poverty* was also making itself felt. The Dominion government reserved all mineral rights on public land to the Crown, on the theory that natural resources should be retained as a heritage for all Canadians. In fact, the principle of land value taxation was generally accepted from Ontario westward, even when not properly understood, as a device for compelling the colonization companies and other vested interests to get the prairies settled.

It was in Alberta, though, during the regime of the Liberal Provincial government of Premier Arthur Sif-

ton, that this principle, popularly known as the single tax, had its real test. And in Alberta, despite many errors in administration and much opposition from powerful vested interests, politicians and subsidized newspapers, it was a tremendous success.

It has been called the best government of so large an area that the world has seen. Whether or not you agree with that statement will depend, of course, on what you think constitutes good government. If you believe in liberty, fraternity and equality, and hold that the well being of citizens should be the chief aim of government, that governments should adopt policies that insure equal opportunity for all and special privilege for none, you may concur—especially if you realize the prevalence of corruption and inefficiency in most governments.

In 1910 Arthur Sifton resigned the Chief Justiceship of the Alberta Supreme Court to become Premier of the provincial Alberta government. He had been a good lawyer and a

**urquhart adams**

(Continued on page 15)

# A Word With You

ONE of the most celebrated features of Henry George's *Progress and Poverty* is the part called "the Story of the Savannah." George relates vividly how a great city grows up from an uninhabited frontier—and the consequent effect on land values. At least, that's how it happened in the Nineteenth Century; and I present herewith the Twentieth Century Story of the Savannah:

Here, then, let us imagine, is an unbounded stretch of sandy soil and scrubby growth. Along comes the station wagon of the first immigrant. Where to settle he cannot tell, but he finally picks the intersection of Highways 66 and 155. Here he sets up the most basic of all businesses—a service station.

Soon there comes another immigrant. "Aha," he muses, "this must be a growing community." He settles by the side of the first comer and opens a real estate office. He acquires the sandy soil as far as the eye can see for 50 cents an acre, calls it Paradise Gardens, and advertises in all the Sunday newspapers that he is giving away one-acre lots free, but there is a closing fee of \$50.

Another real estate office opens, and another, and another. A lawyer and an accountant soon set up shops, for our little community now needs to figure out the tax angles.

More people arrive and lots are now

\$5,000 apiece. Elderly people come to build their dream homes and find they cannot afford it, and so our community applies for federal aid (after all, we are talking about the New Frontier). Under Title I, federal money is given to buy some of the lots, and a semi-public housing project goes up. Other lots are ripening some more. Here and there are farmers being paid by the government to keep their land idle.

A missile plant opens, with government contracts, but not enough to employ everybody, and so our community applies for more federal aid as a distressed area.

Population still keeps on increasing. The town has grown into a city—a Miami, a Phoenix, a San Diego—and still it grows. Go to our settler now, and say to him: "I will give you the full value of your service station if you will give it to me and go again beyond the verge of settlement." He will not answer you—mainly because he is not there. He went to Las Vegas after selling his property for \$500,000 to Zeckendorf, who is planning to build a 30-story motel and shopping center.

Come around again in another hundred years and I'll tell you the Twenty-first Century Story of the Savannah on a Satellite of Saturn. But perhaps by then we'll have a happy ending.

—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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HENRY GEORGE NEWS

# Feudalism—Modern Version

by ALBERT H. JENKINS

**F**EUDALISM, the power of some men to command the labor of others through ownership of land, persists here in the midst of capitalism; and from that fact flows a moral and economic wrong so enormous and fundamental that it is poisoning our human relations and destroying our civilization.

Let's bring this down to our own experience. Most of you own a house. You remember its price. Suppose it was \$15,000.

Little more than a decade ago, in 1950, the prices of lots averaged about 10 per cent of the total cost of new homes. Now the lot cost has doubled to 20 per cent and is still rising. At the 20 per cent figure, the buyer of a \$15,000 house paid \$3,000 for the bare land on which it was built. *How long does it take you to earn \$3,000?*

For that length of time, if you were that home buyer, you were the feudal serf of the man who sold the land on which your house was built. In return for your \$3,000, he gave you nothing but his permission to use land which he did not create, and the money value of which he did not create. He commanded, and if you have not yet paid off the mortgage, is still commanding, your labor for the length of time it takes your hard-earned salary to add up to \$3,000.

That \$3,000 was added to your mortgage, and if it's a long-term one, the interest will about double the final land cost to you. Therefore, as a result of the persistence of economic feudalism in this country, the former landowner and the mortgage money lender are commanding your labor for as many months as it takes you to earn

Albert H. Jenkins is on the staff of Labor, the railroad newspaper in Washington, D.C. He will address the Davies Memorial Unitarian Church in Washington on the subject "Man and Mother Earth." The accompanying text represents his views. He will begin by giving the audience a definition of land, labor and capital, each illustrated by visual aids.

\$6,000. If you rent the house, you pay the same land cost.

Every time you go to a supermarket or other store and buy anything, you are paying multiple land costs, though they are well hidden. Every step in the production and distribution process—from Mother Earth's resources to the final consumer—in agriculture, mining, manufacturing, wholesaling, retailing and the construction industry—requires use of land. All these steps pile rising land costs one on top of another until the total becomes an unbearable burden. Then comes economic recession or depression.

What can be done to end this hangover of economic feudalism? Most liberals and labor spokesmen, unfortunately, offer no real remedy, but only temporary palliatives which make the patient still sicker.

What they propose, and often get, are public subsidies and government guarantees to give the economic system a "shot in the arm" when it is being stopped by the roadblock of rising land costs. Such artificial stimulation boosts land prices still higher, requires ever-increasing doses, and merely postpones the day of reckoning.

The government housing programs, particularly those for slum clearance and urban redevelopment, are good examples of subsidizing land profiteers

with public money and guaranteeing that the taxpayers will take the losses if land speculators and mortgage money lenders run wild and cause a crash.

More and more urban redevelopment projects are being promoted by smart real estate operators, who reap rich profits from them. A public body buys the land at a high price, pays the heavy expense of clearing off the old buildings, then sells the land to a private developer at about 70 per cent of the price the public body paid for it.

There just isn't enough public money to go very far in that kind of program, and slums are spreading faster than they are being cleared. Such a system has not worked and will not work. It only encourages and rewards the economic feudalists. They got an average of nearly half a million dollars an acre for the land in New York City's public housing projects.

Huge land costs have two results, among others. First, even with the public subsidies, apartments built by private redevelopers must and do rent for far more than can be paid by the low-income families for whom they are supposedly provided. In Washington's Southwest redevelopment area, such rents are reported to be as high as \$300 a month.

Second, the comparatively low rents in public-built and public-owned housing require not only public subsidies for buying and clearing high-priced land, but also continual public subsidies to keep the rents within the reach of low or even middle income families.

Something different—a real remedy—is needed. *What can it be?* Let's approach an answer this way:

Slum property yields its owners profits between 20 and 25 per cent—far more than any other kind of sure-thing investment. That's largely because, the more the buildings deteriorate, the lower their value is assessed and the lower the taxes the owner

pays. Thus he is rewarded for being a "slumlord" more ruthless than ancient feudal landlords.

But, suppose this slum owner spends money to improve his buildings and convert them into decent dwellings, or tears down the wretched old buildings and puts up new ones? Either way, he has not only increased the supply of good housing, but also has provided employment for workers in the building trades and construction materials industries, has benefited manufacturers, merchants, railroads and other carriers, architects, engineers, and the economy in general. But this owner, instead of being rewarded as the other one was, is heavily penalized. The assessor comes around and boosts his valuation and taxes. In effect, this owner is told he committed a crime by improving his property, and from then on must pay an annual fine in the form of taxes.

Federal taxes, too, are full of favors for landowners and speculators. Here's just one example: Earned income pays federal tax rates ranging from 20 to 91 per cent. Unearned profits from land pay only the capital gains tax—from 10 to 25 per cent at most. And Uncle Sam gives back to the landowner much of the local land value taxes he has paid.

That's because such local taxes are deductible from the landowner's taxable income. Thus a wealthy land speculator in the 50 per cent tax bracket can, in effect, deduct half his land tax from his federal income tax. As a result of these and other local, state and federal tax favors, land today carries only 5 per cent of the total tax burden, although land values are one-third of the total national wealth.

This tax system is upside down, according to a school of economic and moral thought fostered by the teachings of Henry George, who wrote a book entitled *Progress and Poverty*. It caused profound controversy in its time, but produced practical results in

some parts of the world, and its teachings are now having a revival here in our own country.

Those who agree with the Henry George philosophy say the man who should be encouraged and rewarded is not the one who let his slum property run down, but the one who did a favor for everyone by improving his old buildings or tearing them down and putting up new and better ones. This owner should not be penalized by a tax increase, the other one should be.

How would that be done? By taxing the land under the buildings at its true economic value, which always is much higher than the present assessed value, and taking taxes entirely off the buildings or other improvements.

But the purpose of the Henry George tax system goes far beyond clearing slums by reversing the impact of local and state taxes. Its purpose is to end the persistent economic feudalism and its attendant evils. It proposes to do that by making it unprofitable to hold land out of use or use it inadequately, while waiting for increasing population and public need to boost the selling price.

No nation can endure under such a perverse tax system, particularly when our taxes now total about 125 billion a year. That's nearly a quarter of the value of our total annual production. Think what a weapon of destruction such an enormous levy is!

More and more people are awakening to this problem and its remedy. I wish I could say it is the liberals and laborites who are leading, but here are some typical facts:

House & Home, the big magazine covering all phases of the home-building industry, is a Luce publication, and as such would generally be considered conservative. But, on the land and tax question, House & Home is "radical" in the old American sense of that word, which has nothing to do with communism. A true radical

is one who goes to the roots of things—seeks out and tries to remedy causes, instead of merely trying to patch up effects. He knows that the only way to stop economic evils is to remove their sources.

The editors of House & Home, through intimate and practical knowledge of the homebuilding industry, became convinced that it is being strangled by high and rising land prices, and that the only remedy is taxing land values more and houses less. It printed a special edition on that subject, and called the land speculator "Public Enemy No. 1."

Feudal lords, big and little, are exacting more and more billions of tribute from the rest of the people. This will get worse as increasing population puts heavier pressure on the land and other natural resources. Warnings came long ago from the classical economists. Two of them—Adam Smith and David Ricardo—foresaw that in times of rapid economic growth and scarcity of workers wages could rise temporarily. All agreed on a general rule which has come to be known as Ricardo's *iron law*—"The natural price of labor is that price which is necessary to enable the workers to subsist and perpetuate their race."

But now the "population explosion" is on and the industrial revolution, instead of helping to prevent unemployment, is creating millions of workers who can't find jobs at even Ricardo's "subsistence wage." Such insecurity will continue until the land and tax questions are answered and answered right.

Poor, blind, ill-informed and misinformed man! He feels that something is fundamentally wrong—something which, as Henry George said, perpetuates poverty in the midst of progress. He does not know that this is the inevitable result of the economic feudalism which puts high and ever-rising prices on what were meant to be the free gifts of Mother Earth.

# Noah D. Alper's Brief Cases

## WHO KILLED BUSINESS?

The Judiciary Committee of the House of Representatives recently conducted hearings on taxes in connection with sales across state lines, according to a letter from the American Brush Manufacturers Association to the effect that: "States, cities and counties are requiring businesses to (1) act as unwilling "tax collectors" for the sale of goods delivered to it; (2) pay a tax on the value of catalogs or sales promotional material sent into it; and (3) pay license and/or franchise taxes to deliver or sell there."

Who, then, killed business? Taxemia did it in!

## PEOPLE, WATER AND LAND VALUE

"Coming: A Tunnel to Carry Water Under the Rockies," is a headline in the U.S. News & World Report of August 20th. Water from the Roaring Fork and Frying Pan Rivers is to be diverted through the tunnel to the Arkansas River which flows east, at a cost of 170 million dollars. The purpose is to "provide irrigation and flood control for the Arkansas Valley, now about 30 per cent short of its annual water needs, and electric power and water for Pueblo, Colorado Springs and other cities in the area."

And will this add to the flow of people and industry to the benefited areas, and to land value? Are the "speculators" in land speculation idle or are they already in the field? Once again a thieving and legalized racket is being glorified and stimulated. And men take wealth without adding wealth while others who add wealth are denied.

## THEIR COMMON MISTAKE

Another item in U.S. News & World Report tells of a Communist decree in August abolishing one-family homes in cities and towns. This is intended to "strike a blow at private property, which the Communist party regards as a source of corruption, and to effect savings in construction of large-scale cooperative apartments, which tenants must help finance."

This is in line with the Soviet tendency to do away with all private land holdings, even in the rural areas. Their goal is to have farmers living in apartment houses, as factory workers do.

Odd, isn't it, with the communist worship of science and materialism, that they fail to distinguish between land and capital, and assume that true private property could in no way be commonly beneficial to all mankind; and capitalists, by failing to make such distinctions, fall into a similar ditch by perpetrating conditions which doom true private property? What else could happen under a practising economic philosophy based on what's mine is mine, and what's ours is mine too?

## REVOLUTION OR TAXATION

Throughout history abusive land ownership has always led to revolution, according to James Michener. In France there was a revolution with great loss of life, while in England the change-over was effected with "marvelous simplicity." Huge land holdings were dissolved with high taxes and no bloodshed. "In the Western United States the cattlemen started to protect their immoral holdings with gunfire, but in time the common sense of the townspeople, applied through taxation, defeated them. No nation can avoid land reform. All it can do is determine the course it will take: bloody revolution or taxation." This is from a dialogue on page 843 of his new book *Hawaii*. Stanley Epstein of New York City noticed it.

# Colorado's Racial and Real Estate Contrasts

CERVI's Rocky Mountain Journal reported in a summer issue that according to the Population Reference Bureau in Washington, the world population would be 6 billion just 38 years from now, or an increase of 5 billion from 1850 to 2000.

Like other American cities, Denver is sensing this increase in "bumper-to-bumper living," and the above journal headlined, "no relief in sight." The urban sprawl is spreading in all directions, and Denver is trying to revitalize its lower downtown area. A run-down residence area called Westwood—when threatened with a public housing project—began an intensive renewal campaign with excellent results. About two miles distant is a plot of ground six blocks long that the owner is "holding out of use." The city would like to buy it for a park but considers the asking price too high. Meanwhile it is being used as an "unofficial dump site," with both the owners and the city objecting. Dumpers sneak in at night and deposit rubbish, ignoring the signs.

During the summer the city annexed a 2,400 acre Cherry Creek plot where the present population of 1,300 is expected to reach 12,600. An adjoining area of 9,000 acres will soon be provided with water and sewage facilities for thousands of new families. Colorado's manufacturing employment has reached a record monthly average of 91,000, a 47.7 increase over 1951, and is moving up toward 100,000 by the end of this year.

The population in a five-county area has been increasing by more than 3,000 a month since the 1960 census was taken, as indicated by figures taken from the Public Service records of new customers and the new telephone installations. By July the total real estate sales reflected by the volume of

mortgages in the five-county area rose to the highest level in its history, but in August the "real estate fever" abated somewhat.

House & Home, and other magazines directed to the building trades, have reported and encouraged better home building, with the result that new homes have not risen in cost, whereas land costs for a median priced home rose, according to FHA figures, from \$761 in 1946 to \$2,470 in 1960.

Leoane Anderson of Denver, volunteer extension director of the Henry George School, is an astute observer of real estate activity, and a selective newspaper "clipper." Indian customs lend an interest to the mountain states which she does not overlook. A series of articles with a Towaoc, Colorado dateline was especially colorful and informative. It described how a wealthy Indian Tribe, the Utes, learned how "to live with money."

This is a tribe living on land in Southwest Colorado, now valuable because of oil and gas discoveries, which has great per capita wealth. But unlike the "oil-rich Oklahoma Osage" the Utes are not spending their money at a "new Cadillac-a-month rate," states the Rocky Mountain News. Instead, their huge government moneys are controlled by a Tribal Council who have it invested at 4 per cent interest.

The Utes have a wise Chief, Jack House, who showed the people what had happened to other tribes when individuals had demanded large amounts of cash. They were soon reduced to poverty again. The Utes determined to have their own courts and welfare program. Many of them live in new ranch houses, having been told by the Council that they could build a house anywhere on the reservation. All the land belongs to the tribe—a sovereign nation with only federal and tribal

jurisdiction. The Tribal Council has adopted a rehabilitation program to help residents achieve economic independence, but is still "religiously devoted to keeping reservation land from falling into individual ownership." Under the old Ute Mountain system, land has always been held in common. The rehabilitation program has only two more years to run. Let us hope they do not "bow to civilization" and depart from this old system.

The new Navajo Trails Highway from Garden City, Kansas to Flagstaff, Arizona will bring a vast motoring public into a closer acquaintance with

the scenic beauty of the Southwest, and with the Indians, especially the Navajos, who have long lived in isolated poverty.

Impressive dedication rites were held on September 16th at "Four Corners"—the only point in the United States where four states touch: Utah, Arizona, New Mexico and Colorado. At this point governors of the four states faced each other, each on land of his own state. A monument inlaid with bronze and turquoise was unveiled at the dedication. It bears the inscription: "Four States Here Meet in Freedom Under God."

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## Henry George, Jr. Anniversary

"Did you know that the phrase 'let George do it' was coined over 450 years ago by King Louis XII of France?" This bit of research came to light in Christopher News Notes, October, 1962. "The king," we note, "had a prime minister, named George D'Amboise, who was so able that he delegated an increasing number of vexing problems to this trusted assistant. The monarch thus left himself free to attend to other royal duties.

"Down through the centuries countless persons have taken the 'let George do it' attitude about their family, religious, civic and other obligations—although they have little or no idea who 'George' might be.

"The tendency, for instance, to leave

it to others to provide good government has led to the weakening—and even disappearance—of free institutions everywhere.

"Those, however, who specialize in graft, corruption or subversion never 'let George do it.' They do it themselves."

We like the thought of having "George do it," but recognize the fact that we must do something about it ourselves. Incidentally, this phrase was used by Henry George, Jr. in his (successful) campaign for Congress. *He did it himself!* It will be a pleasure to memorialize him on November 3rd at a dinner meeting at New York headquarters. That will be the 100th anniversary of Henry George, Jr.'s birth.

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Have you ordered your reprints of the July Reader's Digest article, "Land Speculation, and How to Stop It" by Wolfgang Langewiesche? They are 5c each, but many are taking advantage of the quantity rate, 6 for 25c or 30 for \$1. Order from HGN, 50 East 69th St., New York 21, N.Y.

Urquhart Adams of Alberta wrote: "I must credit The Reader's Digest article with miraculous powers. One of my friends at whom I have been talking the Georgist argument for thirty years without the slightest effect, came to visit me last week. I showed him a copy of the article—he read it and asked if he could have it. I believe he's been sold. I had given him up long ago."

Fred Workman of Pacific Grove, California, too, like many others, believes it has "done our cause a lot of good."

# Symptom of What Is to Come

by MAURICE P. CURRAN

WE cannot help but be impressed with Henry George's view of history, as we pause to comment on the man who wrote *Progress and Poverty* in 1879 and who had much to offer all of us in the approach to solving complex modern problems. I am thankful to the Henry George School for introducing me to him.

George confronts us with a universal rule that every civilization has had its period of vigorous growth, followed by arrest, stagnation, decline and fall. "It is the barbarians of one epoch who have been the civilized men of the next; to be in their turn succeeded by fresh barbarians," wrote Henry George. So every civilization that has been overwhelmed by barbarians has really perished from internal decay.

Can any parallels be drawn from this? Are we civilized? Unquestionably! We are the envy of the world. Our technology and mores are exported to the far corners of the earth. Whole nations and races imitate us. To ask another question—are there barbarians on the prowl today?

What about the death by starvation of at least two million Ukrainians? What do we call the burning of millions in the incinerators? What of the slaughtering of Hungarian youths as they cried "liberty," and what motivation made possible the building of the Berlin wall? Can we call these anything other than the acts of barbarians?

But we learned from George that an important contributing factor is internal decay. And did not the highly developed civilized people of the world, until they were challenged themselves, permit barbaric acts such as the starving and burning of millions upon millions of men, women and

In the summer term completion program at New York headquarters Maurice P. Curran, who holds a Bachelor of Arts degree, was the spokesman for his class taught by Peter Patsakos. His reflections on the philosophy of Henry George were applauded, as were the brief talks by all other class speakers in this unusually high-caliber display of talent and insight. Several were economics majors and will continue intensive study of this subject. The summer schedule included two classes limited to high school students, and these will be eligible to compete in the annual essay contest for the \$100 Ezra Cohen Memorial prize.

children? Were those who stood by and watched an 18-year old youth moan and call for help for one hour while he slowly bled to death, civilized? Is this an insignificant event—or is it a symptom?

Recognized political and economic leaders maintain that the United States has reached a high-level plateau of stagnation. According to George's prophecy stagnation is followed by decline and fall. What has brought this about? George mentions what he considers to be an obvious truth—that the obstacles which finally bring the progress of a civilization to a halt are raised during the course of that progress.

For instance today our society recognizes the important role that labor unions have made toward progress. At the same time we are engaged in a competitive race for a position in space exploration because we are afraid that once more the unyielding barbarians are on the move. Yet some of our labor unions have cost us over 200,000 lost hours in the space program, in petty disputes. To mention only one, some of the missile components are pre-assembled at the factory

and shipped to the missile site. Since these were pre-assembled the engineers could easily check out completed circuits. The plumbers' union protested however that the pre-assembled method deprived them of work which was rightfully theirs. They demanded, under threat of a work stoppage, that these pre-assembled units be dismantled and reassembled by them.

The fact that many man-hours and dollars could have been saved by the

more efficient pre-assembly technique did not interest them at all, even though there was sufficient work remaining for them. The issue was resolved in their favor. Is this an insignificant event or is it, too, a symptom?

While this is merely a thumbnail sketch of Henry George's views, can we not say that these are obstacles caused by progress showing the internal decay which precedes arrival of the barbarians?

## YES, IT WOULD BE ENOUGH!

**M**ANY of us know of cases here in New York City where the landholder locks the cash register at night. That is, his take is a percentage of the gross, and in many instances this percentage is more than a hundred per cent of the profits. This is attested to by the stores which are forced to close because the rent was too high.

For those who want to see definite statistics, "Bayou Mystery" in The Wall Street Journal of February 20, 1953 is an interesting example. It tells of a trapper with 138 muskrat skins and 3 mink skins stacked at his feet, taken from 150 steel traps during three days in the marshes. Eight buyers bid for the lot, which went for \$176.65. The trapper got about \$114. The rest,

slightly over 35 per cent, went to pay the owner of the land. And this is one of the least desirable ways of making a living. These men furnish their own capital in the form of traps, clubs and knives. They take all the risks to be met with in swamps—yet the landholders take more than a third of the total.

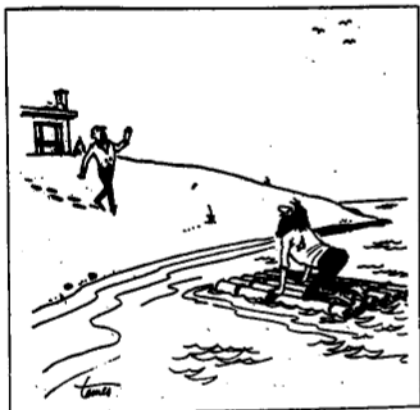
As to what constitutes a profit, "Victory in the Dustbowl" by Ira Wolfert in the August 1959 Reader's Digest is helpful.

"There was plenty of land that year" (1925), we read. "The nomads, known locally as suitcase farmers, didn't come in the dry years, and you could rent their fields for a quarter of whatever crop you raised on them."

Look at that closely: 25 per cent is considered very cheap. We know that the total cost of county, state and federal expenses is not over 150 billion dollars, and our gross national production is said to be over 500 billion dollars. We may say then, that if a man at the lowest level of production has to give up more than 35 per cent of his product, the rest of us can expect that to be the minimum for all.

Collecting all government expenses through a land value tax would make government costs a great deal less. This should convince anyone that 30 per cent of our gross national product would more than pay all government costs.

—Robert Sage



"Sorry sir—this is a private beach!"  
—from The National Observer



The August reports from the Henry George School conference were heartening, and I look forward to the next issue with more of the same. I am concerned about the letter from David B. Ascher of Haifa (August HGN). His state-leased land experience compares rather poorly with many cases in Australia and Pittsburgh where land is privately owned but taxed. There are contributing conditions, apparently, that someone with specific knowledge should answer and investigate.

ETHEL STANNARD  
Niantic, Connecticut

As I read the various discussions in HGN it often occurs to me that not enough is said about the difference between the value of land and the market price. The latter is like the part of the iceberg above the water, whereas the value is the entire iceberg.

If a plan envisions the increase of taxation on land from 2 per cent to 4 per cent, the market price will drop as expected, say, from \$1,600 to \$800, and then will not the assessor be likely to depreciate the assessed value of the land unless he is thoroughly briefed, on this point? He should understand very definitely that this lowering of the market price of land is exactly one of the aims of the land value tax and that a 12 per cent tax on market values is in fact only a 4 per cent tax on the full value, or that a 30 per cent tax on market value is only a 5 per cent tax on the full value.

It seems to me that Mr. Ascher in his letter in the August issue over-emphasizes some technical difficulties [presented by Oscar Johannsen's proposal that the government rent out land to the highest bidder] although it would be simple compared to the

complexities and injustices of our present income tax which must employ at least a million people in and out of our government.

Furthermore, in his imaginary example of "my" piece of land being put up for auction, he offers the highest bid, \$1,000, and sublets it to me for \$2,000. Where was I when he got it for \$1,000? Was there collusion between him and some government employee? Certainly if the bidding was above-board my \$2,000 should have won.

Later on he mentions that the National Fund in Israel owns 95 per cent of usable land and leases it to farmers and builders who have learned to speculate with these "exactly as they speculated with the lands themselves." Obviously the government is leasing the lands far below their value, otherwise there would be no margin for speculation.

Most of the difficulties, either imagined or real, can be solved with a little common sense and a good understanding of the principle of the land value or scientific tax. I call it scientific because it is rational. It taxes and inhibits undesirable activities and untaxes or frees desirable activities.

JAMES HAIR  
Cincinnati, Ohio

As quoted by George R. Geiger in his scholarly and well-documented book *The Philosophy of Henry George*, it was Henry George himself who clarified the issue raised by Oscar B. Johannsen in "Philosophy of Freedom Versus the Single Tax" (June HGN). On page 558 of Professor Geiger's book there is the following notation: "George, when told by William Lloyd Garrison (the younger) that he

did not believe the single tax to be a panacea, replied: 'Neither do I; but I believe that freedom is, and the single tax is but the tap-root of freedom.' This was quoted by Louis F. Post in *The Taxation of Land Values*, published by Bobbs-Merrill in 1915, page 54.

M. L. REES  
Brooklyn, New York

Bob Clancy's article in the June issue of the Henry George News is a good one and I thoroughly agree with him. I am afraid everything is becoming too commercialized.

LOUIS FABIAN BACHRACH, SR.  
Boston

After reading HGN, I always mail it to the editor of the Providence Sunday Journal.

Considering all the work my father did for the Henry George political philosophy and economics — it seems

that there must be someone in Providence who understands it.

FLORENCE GARVIN  
Pasadena, California

It must be expected that with the collection of ground-rent by government one of the stoutest props will be removed from under the interest rate. There would remain only the other prop, which is the monetization of public debt through interest-bearing government bonds.

If and when interest depends exclusively on the economic advantage that individual capital assets can procure to the user, the interest rate will tend to a low level because of the tendency of the marginal efficiency of particular capital assets to disappear with the general or universal adoption and utilization of particular assets.

ERICK S. HANSCH  
Portland, Oregon

The new national Political Action Committee on Taxation (PACT) which was organized in Pittsburgh last July has issued its third newsletter reporting activity in Pennsylvania, Ohio, Michigan, California, Massachusetts and Texas in the direction of influencing legislation. Letters to PACT should now be sent to the new address: 5402 South Kimbark Avenue, Chicago 15, Illinois.

Taxpayer's Publications, Inc. is a publishing firm of which Erick S. Hansch of Portland is treasurer. He is also the director of a Henry George extension in Portland, and business manager of Taxpayers Digest (published bimonthly, \$1 a year). Mr. Hansch notified readers in July that his firm had been appointed distributing agents in the Americas for the South Indian publishing house, Sarvodaya Prachuralaya, Tanjore.

Sarvodaya is a monthly English publication (\$2 a year in the U.S.) reflecting the political philosophy of Mahatma Gandhi and Acharya Vinoba, who started the famous land-distributions in India. Mr. Hansch invites HGN readers to send for a free sample of Sarvodaya, believing that "America can profit from the enthusiastic and self-denying spirit of Vinoba's followers." His address: P.O. Box 2506, Portland 3, Oregon.

Mrs. Ethel Lyman Stannard of Niantic, Connecticut wrote a letter which has been printed in pamphlet form—400 having been sent to civic leaders, editors and politicians. Her printer ran off 100 copies for his own use after reading the convincing copy. The letter is titled "In God We Trust?" It is "an urgent appeal to those who are able and willing to think things through."

In the letter Mrs. Stannard speaks out against landed privilege, exploitation and our "upside-down tax hodge-podge." Liberal Democrats and "me-too" Republicans, she writes, "do not know that welfare-state bureaucracy and socialism are incipient communism." After pointing out "the self-evident facts" about land, she expresses hope for a political party "that does not flounder, but stands honestly and firmly for just equality of access to the earth and its bounty—the only equal opportunity for all." The letter is written with dignity, faith and grave concern. Attractively printed, it deserves a careful and thoughtful reading.

# The Henry George School in the News

SAN DIEGO Georgists gathered at the University Club August 16th for a "Hail and Farewell" banquet honoring Dr. Robert V. Andelson, retiring executive, director of the San Diego extension, and Harry Polard, executive director-elect. The event was telecast on Channel 10.

Dr. Andelson, who assumed the directorship in 1959, resigned to accept the chair of philosophy at Northland College, Ashland, Wisconsin. During his period in office the San Diego extension rose from twelfth to fourth place in annual number of graduates among the Henry George schools in the United States and Canada.

At the same time, Harry E. Polard, formerly of Toronto was welcomed as his successor. He will also supervise the work at the Los Angeles extension.

The Toronto extension has announced 20 classes under the supervision of the new director, James Ramsey, who succeeds Harry E. Polard.

BOSTON has a new "part-time" secretary, Ben Manton, who will assist Mitchell S. Lurio, the director. An expanded class schedule is being planned and contributions have increased, following an extensive mailing.

SYRACUSE friends were encouraged to find in the Sunday Herald American, an extensive notice of their new weekly classes in the State Office Building, 33 East Washington Street, with information about the instructors: Emanuel Choper, William E. Frank and Rex C. Klopfenstein, as well as a bit of the school's background.

Betty Breese, executive secretary, wrote that this item caught the attention of Mrs. Louise Thiesenhausen, who came to the State Office Building Monday morning and enrolled. Her son, Peter, is assistant director of studies at the Ontario Henry George School extension—and he supplied his mother with a copy of *Progress and Poverty*.

ST LOUIS has opened classes in the north end, the south end, downtown at headquarters, and at several attractive west end addresses. The film "Land—and Space to Grow" has been shown at the well-known Ralston Purina plant, the Friday Evening Discussion Club and the Northwest Kiwanis Club.

The extension's work sheet contains a number of interesting editorial comments, including one on an article from the National Observer explaining that in Texas there is a device called a Whipstock, that will drill a slanted well. After a "grizzled oil driller from Kilgore, Texas confessed he had drilled at least 100 slanted wells in Texas and southern Louisiana over the past 25 years," the grand jury became alarmed over what was called "the biggest theft in Texas history."

The land value tax, Noah Alper remarks, would be the right way to solve the anti-Whipstocking problem.

NEW YORK will offer basic classes from Monday to Friday inclusive at headquarters, including one in Spanish, as well as classes in Applied Economics and the Science of Political Economy. Also available to advanced students are A Philosophy of Life, by Robert Clancy; Great Books with the dean, George Royal

and Ben Stern, alternating. Public Speaking will be under Joseph Rose's direction, and Matthew Osias will teach a Correspondence Course Teachers Training Class. Joseph Sola, a former staff member, returns to teach Economic History of U.S., and James Murphy will continue with Dynamic Psychology. The dean, Mr. Royal, is conducting a 30-week teachers training class.

A new teachers' manual is being used for the second basic course, Applied Economics, this fall. It is an up-to-date revision with study supplements—the first since 1937. The Manual Committee plans next a revision of the third basic course, Science of Political Economy.

At a faculty meeting on September 20th there were vacation echoes from those who had unusual travel experiences. The New Jersey school held a similar meeting at which the dean, Alexander M. Goldfinger, told of his recent visit to Hawaii.

A faculty member, Isobel Restall, initiated an experimental class in Greenwich Village last winter. It was composed, not of bearded, bongo-beating beatniks, but businessmen, housewives, writers, etc. She will teach another class there this fall.

Three faculty members are teaching in Northern New Jersey—Leo Cohen in Oakland, William Buhr in Fair Lawn and Nicholas Minaya in Pompton Lakes.



### ... Now in Italy

If you go to Milan, and if you understand Italian, you can take or review Fundamental Economics, where it is being taught without charge, every Thursday evening from 9 to 10 o'clock, by Dr. Natale Pulvirenti, at Galleria Buenos Aires, 2. At the first session on September 6th Professor F. J. Jones of the University of Cardiff and David Mills of the Henry George School of London were present. It is being given mainly as a review for those in the Milan area who have taken the course by correspondence. Dr. Pulvirenti intends to follow it up with a course in free trade and another in basic economics. He also distributes Georgist literature, including *Progress and Pov-*

*erty*, and is circulating a Georgist newsletter in Italian, so he is quite a busy man. He has a school where he teaches classes in salesmanship and related subjects for which he charges fees.

Sr. Guiseppe Pace, who lives near Rome, has received the first five lessons of the correspondence course, and writes that with only his rudimentary knowledge he has already convinced friends that they should learn the theories of Henry George. He hopes to introduce this economic study in his labor union and in the company where he works. He believes Rome would be a good place to launch the new economy.

### DO YOU READ THE FINE PRINT?

In the August HGN, on page 5, in that small type which readers so often seem to overlook, there was a strange error in reporting the newspaper clipping sent by Frederick R. Barkley. In Pittsburgh and Scranton, Pennsylvania, the tax levies on land are double that of the levies on improvements—just the opposite of the incorrect statement in the first paragraph. Thank you, Mr. Walthall of Pensacola, for calling it to our attention.

## Alberta's Heritage

*(Continued from page 1)*

a good judge, and he became a good premier.

The Province of Alberta had been carved out of the old Northwest Territories, along with Saskatchewan, in 1905. The tide of liberalism was running strongly and the Liberal party was the dominant party in Alberta, from the time it became a province—all parties, for the time, were agreeable to the idea of the single tax. There had been a considerable measure of land value taxation before 1910, and Sifton's government extended the policy so that, by 1913, a tax on the value of land accounted for almost all the revenue of the province.

A strong principle in favor of the single tax is that land is limited in quantity and therefore men should be allowed to appropriate only what they can use. If they own land which they cannot or do not wish to use, they should not be able to prevent others from using it. By the simple expedient of shifting taxes from improvements on land to the land itself, according to its value, the best use and best improvement of the land will be encouraged.

The theory is reasonable and when it was tried in Alberta it worked, as any valid theory works when put to a fair test. For the single tax is the policy most likely to succeed in getting the land, the capital and the labor into production.

The land value tax was maintained for seven years in Alberta. During those years the foundations for future development were laid. Roads were extended all over the province, the capital buildings still in use in Edmonton, were built, as well as the buildings which still

house most of the University of Alberta, two penitentiaries, several experimental farms, provincially owned telegraph and telephone lines throughout the province—and all were paid for in cash by the tax on land values, without incurring any debt.

The provincial government, however, financed the building of two railroads and mortgaged them to the tune of some \$25,000,000—so technically at least, it became indebted to that extent. In 1929 the lines were sold for enough to retire the debt. That cleared the record. The debt had been self-liquidating. It cost the taxpayer nothing.

All this was accomplished with a widely scattered population of less than half a million people, pioneers all, breaking ground for future development. It is truly a remarkable record. During those years there was universal prosperity which increased as time went on. Towards the end of the seven-year single tax period the wages of common labor were from thirty to fifty per cent higher than wages prevailing on the Pacific Coast of the United States. There was no lack of employment for men able and willing to work. It was a pioneer era—housing was often primitive, but the essentials of good living were abundant. There were few frills, but men, women and children dressed warmly against the cold winters and ate as few people in the world could afford to eat.

Naturally the word got out and men poured into Alberta from all over the globe, attracted by the opportunities for a good life. They knew nothing of governmental policy. Generally speaking, they were land hungry and disposed, as they became prosperous, to speculate in land, knowing from previous experience that it would rise in value with the increasing population. Not

understanding the effect of the single tax, calculated to restrain rising land values; they bought land for a rise. Subdivisions were plotted around towns all over the province and shrewd real estate men reaped a harvest, separating the suckers from their money.

The suckers, naturally, cast about for someone to blame for their bad fortune. It was easy for unscrupulous politicians, supported by venal newspapers, to capitalize on their frustration and stir them up against the government and its policies.

In 1917 Robert Borden, Prime Minister of Canada, invited Sifton to take a post in his cabinet. Borden was a Conservative in a wartime coalition government. Sifton accepted the appointment and resigned his post as Premier of Alberta. His successor sought to appease the opposition by watering down Sifton's single tax policy, and at the close of his first legislative session he reported that little acrimony was voiced in the legislative debates. Nevertheless, at the end of his term, his government was defeated by the newly formed United Farmers party of Alberta. It is curious to note that the U.F.A. distributed, as part of its election propaganda, thousands of copies of Henry George's *Protection or Free Trade*, which advocates the single tax.

But when the party won the election it turned against the single tax

Controversy has often arisen among readers as to whether or not early experiences with the single tax in Western Canada are favorable examples to use in its support. Urquhart Adams, a resident of Peace River, Alberta, has clarified the situation here by showing how the Province still benefits from the fact that a good foundation was laid. This has become so obscured with the passage of time that few realize how much they owe to the little that remains of the land value tax structure.

policy, gave the province 14 years of bad government, and was defeated in 1935 by a newly formed Social Credit government, which still holds power, thanks to very large revenues from Alberta's valuable oil fields. The mineral rights, you may remember, were reserved to the Crown in 1905, reflecting the Georgist philosophy. The large revenues available from the sale of oil rights and royalties, a liquor monopoly, and a few million from the sale of timber berths, have enabled the Social Credit government to acquire and sustain a reputation for financial astuteness that is not deserved, since it depends on no worthwhile achievements. The party has profited by the revenues in a political way, thus it has completed the circle, quite in keeping with modern trends, going from a good beginning to progressively bad government.

Perhaps people get the kind of government they deserve—a kind of ironic justice.

Mr. Robert Clancy,  
33 82nd St.,  
Jackson Heights, L.I., N.Y.