

the Henry George News

PUBLISHED BY HENRY GEORGE SCHOOL OF SOCIAL SCIENCE • APRIL 1965

Rudolf Steiner and Henry George

by H. JAN RITSCHER

GEORGISTS have received such perfect inner training for an understanding of Rudolf Steiner's social order proposals that they should be able to succeed where Steiner's students have thus far failed. At the same time, Georgists, who have concentrated their efforts too narrowly on the solution of the land problem only, should, by grasping Steiner's three-fold approach to social problems, be able to succeed where they too, have thus far failed.

George's entire work, as he emphasized in *The Science of Political Economy*, concerns the true nature of the spirit, not only in man, but in the cosmos, with respect to its action in the economy. Students of Rudolf Steiner can bring a new understanding of this aspect of his work, for in whatever success Georgists have had in effecting land value tax reforms, little notice has been taken of the disease of the social organism which continues to spread from focal points disregarded by Georgists.

Steiner refers to the land and labor problem almost in the beginning of his basic work, *The Three-Fold Commonwealth*. He was more anxious to have the public accept his three-domainedness concept for human society than any of the other practical applications of his new universal science, such as his agricultural method, his medical



H. Jan Ritscher and Lancaster M. Greene

therapy, pedagogy, new stage art, etc. Yet it was this concept which failed, possibly because through his paradoxical style he inadvertently attracted the Utopianists. His proposals called for a radically new approach to social questions and it was perhaps natural that social reformers of the right and left, plus the so-called "lunatic fringe," felt attracted to these proposals. This eager crowd naturally succeeded in repelling many sounder minds. I wonder if Henry George's proposals ever met a similar situation?

Not being an economist, Steiner did not elaborate on his land reform measures. Only a Georgist would understand such statements as: any landowner makes other people dependent on him by seizing on a human right. A human right must never enter the economic domain—it must not become a commodity. Possession of land must be treated as an element of the *jural* rather than the economic life and, as such, be dealt with in accordance with the principle of *equality*.

(Continued on page 14)

A Word With You

"FOR THE greater part of history," writes George Schwartz in the London Sunday Times, "government has shown itself a liar, a thief and a cad, and with the vastly increased scope of government this malignancy is enhanced by ignorance and maladministration. There have been interludes of civilized government, but they are rare, and you can pass a whole lifetime without experiencing one. There is no remedy against this disease of government. It is the incurable pox of humanity."

We have to admit the truth in this jeremiad. But the most distressing thing about it is that it leaves us nothing to do but wail. Is there nothing else to do?

Let us consider some alternatives that have been preached, and even practised:

Withdraw from government (and society), physically and mentally. This is the desert island solution. But it's only for stout-hearted misanthropes and most of us don't qualify.

Withdraw mentally but not physically. Be in the world but not of it, as St. Paul advised the early Christians. But eventually the Christians inherited the Establishment and started the nasty business all over again.

Fight it. This was the anarchist solution. Their idea was to get rid of government by getting rid of the heads of state—a laudable but misplaced

effort. Every time they succeeded, we got more, not less government.

Reform it. This possibility, of course, is what keeps our quiet desperation from going berserk. Mr. Schwartz, however, might remind us that after all kinds of reform the pox keeps coming back.

But one reform that deserves another look is this: *make government competitive.*

The main trouble with government is not its tyranny and wickedness so much as its monopolistic character, even when it's well-intentioned. The main cause of the indolence and insolence of office is quite simply that there is nothing against which to measure results. There is no competition. The remedy is to make it possible for a housewife to yell, "I'll go to the government across the street!"

We'd certainly make the right start if we had a public revenue system whereby government was paid only for wanted services satisfactorily rendered in the eyes of the consumer who paid for it. This, you know, is none other than the public collection of economic rent. Decentralized government would make possible the competition across the street. And more private services competing with public services would be a good shot in the arm against that pox.

Are you listening, Mr. Schwartz?

—Robert Clancy

Vol. 28, No. 4

April, 1965

The Henry George News, published monthly by the Henry George School of Social Science, 50 E. 69th Street, New York, N.Y. 10021, supports the following principle:

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

Publication committee: William S. O'Connor, Arnold A. Weinstein and Lancaster M. Greene, chairman. Editor: Alice Elizabeth Davis. Subscriptions \$1 a year; single copies 10c. Second class postage paid at New York, N. Y.

Toe in the Door

by WALTER RYBECK

LAND speculation and taxation are the topic of one section of President Lyndon B. Johnson's Message on the Cities, sent to Congress on March 2. This section was overshadowed by a vast number of items including rent subsidies and city beautification, and few newspapers alluded to it. But the White House did broach the topic.

The President modestly admits in the introduction of his message that the program it proposes "does not fully meet the problems of the city . . . We need more thought and wisdom and knowledge as we painfully struggle to identify the ills, the dangers and the cures for the American city."

In succeeding sections he calls for creation of a Cabinet-level Department of Housing and Urban Development, federal incentives to encourage metropolitan-area planning, and establishment of a training institute to overcome the "short supply" of officials skilled in urban administration and planning. Under the heading "Temporary National Commission," he then deals with four subjects including tax reforms:

"We need to study the structure of building codes across the country . . ."

"Zoning regulations also affect both the cost and pattern of development . . ." Then comes this crucial paragraph:

"Few factors have greater impact on cost, on land speculation and on the ability of private enterprise to respond to the public interest, than local and federal tax policies. These too must be examined to determine how they can best serve the public interest."

"Finally, we must begin to develop

better and more realistic standards for suburban development . . ."

"To examine all these problems I recommend the establishment of a Temporary National Commission on Codes, Zoning, Taxation and Development Standards. I predict that the body masked by such an unwieldy name may emerge with ideas and instruments for a revolutionary improvement in the quality of the American city."

This message, now awaiting implementation by Congress, obviously is no endorsement of land value taxation as the foundation for maximum freedom and economic growth. So gently was "land speculation" dropped into the message that those who are not yet awakened to the vast implications of this evil could gloss right over it without notice. In short, Mr. Johnson made it respectable to examine land monopoly, but he did this so undramatically that he drew no fire from the opposition — none to the time of this writing, at any rate.

Background briefings by White House staff members and by Federal Housing Administrator Robert C. Weaver revealed more than did the message itself the administration's awareness that property taxation can be a powerful tool for revitalizing cities.

Asked why he called zoning, codes, standards and taxation the "really sticky problems" of housing costs, Mr. Weaver replied:

"The taxation thing is obvious. There is a lot of literature which claims that if we simply tax the land and do not tax the improvement on the land, this would be helpful. Australia does this, and some other places. This is highly controversial. The only point of agreement among specialists

**Italics here and throughout are those used by the President.*

in this field is that there is something wrong and there ought to be a change. We want to get the best opinions we can. Federal taxation is always a problem in that the income tax policy has a great deal to do with land speculation and also has to do with land development."

A White House official, asked to clarify what President Johnson meant on January 4 by impending "important changes" in the program, answered:

"The President intends to set up a commission on zoning and ordinances in an effort to discover ways of making zoning and ordinances, as well as real estate tax structures, become more viable in particular communities. One example, under the prevailing real estate tax structure in most communities now, the improvement of facilities or residences, is not assisted by either zoning or the tax structure... the President is considering this with several people—we have to recommend that the tax structure in communities can be turned around so that it will be desirable, and an incentive will be provided, for private individuals to do rehabilitation and restoration on their own..."

This same official went on to elaborate the importance of incentives to private industry, individuals and the public sector, saying, "This whole idea

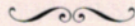
is embodied very deeply in the President's personal philosophy."

The door has been opened, albeit just a crack, for those who have long toiled to remove crippling inequities in methods of property assessment and taxation. This invitation to investigate, while revealing considerable interest and depth of feeling on the part of the President and his advisors, should not be misinterpreted as an implied promise they will lead a crusade on this issue at some future date.

For one thing, state and local jurisdiction over property taxation may constrain the federal government from speaking out. More importantly, the President is not likely to push too hard unless assured of some measure of public support.

Thus, assuming Congress supports creation of a Temporary National Commission, the burden of advocacy will shift immediately to those who already understand and believe strongly in land value taxation. They were permitted by the highest elected official of the United States to stick their toes in the door. Hopefully they will have the technical ability, stamina, dignity and persuasiveness eventually to make the door open all the way.

Walter Rybeck is Washington Correspondent for the Dayton (O.) Daily News.



קורס חינוך בכלכלה

That's the way you offer a Free Course in Economics in Hebrew—and that's the headline announcing it, in Israeli newspapers. This latest addition to the Henry George School's foreign-language work is based on the Hebrew edition of *Progress and Poverty* published last year in Israel with cooperation of the Robert Schalkenbach Foundation. Other languages are: French, Spanish, Italian and German.

เรียน เศรษฐศาสตร์ ฟรี

ทางไปรษณีย์

เชิญขอรายละเอียดได้โดยใช้คูปองข้างล่าง

And that's the way you tell about the Henry George School in the Thai language. This advertisement was placed in newspapers of Thailand by our first correspondence graduate there, Suthon Hinjiranan, resulting in about 100 inquiries for the course in English. Mr. Hinjiranan has translated *Progress and Poverty* into Thai and it is hoped that it can be published.

HENRY GEORGE NEWS

Prospects in the Pelican State

by ROBERT V. ANDELSON

LOUISIANA's tax structure is the major reason why, despite cheap labor and abundant natural resources, this state has lagged far behind the rest of the deep South. Shortsighted and self-serving administrations have saddled commerce and industry with a grossly disproportionate share of the tax load, and the state is paying for this in the form of widespread unemployment. True, general corruption and political instability have played a part in the disinclination of industry to locate in Louisiana, as has the low literacy level. But when they were queried by the Public Affairs Research Council, firms which could have expanded their Louisiana operations but did not, cited inequitable taxation as the number one reason for their decision.

The state maintains an industrial inducement program of temporary tax exemption for plants and equipment. However, until just recently, the relief afforded by the program was more than offset by the practice of doubling industrial assessments after the expiration of the exemption period. Happily, this practice has now been eliminated by a constitutional amendment backed by Governor John McKeithen and stemming from the PAR report. Because of this and vigorous salesmanship on the governor's part, a few new plants have moved into the state.

Yet many tax factors still remain to discourage industrial development. The severance tax on natural gas is practically double that of any other important gas producing state, and is largely passed on to consumers. Meanwhile, there is no ad valorem tax on the gas while it is in the ground. Due to the homestead exemption, homeowners are lightly taxed in comparison with those

of other states, but the exemption is frequently administered in such a way that large landholders are its major beneficiaries. Landholders are further favored by the custom of assessing valuable underdeveloped urban acreage as farmland. Moveable property (inventories), by contrast, is assessed at 70 to 75 per cent of market value.

The state constitution provides for the assessment of real property at "actual cash value," but in practice the average of all parish assessment ratios is only 18 per cent. Ratios vary widely, not only among but within parishes. For example, PAR found that a certain parish was assessing one piece of property at 300 per cent and a similarly valued piece at 3.3 per cent of actual value. But the spotlight of publicity has been increasingly focused on such inequities, and leaders of public opinion are evidencing awareness that equalization is badly needed. A committee has been appointed by the governor to recommend an equalization program, but it remains to be seen how far it will go in its report, and whether the administration will stand behind recommendations which are strongly opposed by powerful interests, namely, assessors and holders of underassessed real estate. For it would be fatuous to assume that these groups will refrain from exerting pressure against a thoroughgoing program of reform.

But the days of the old order are numbered. Technological changes in agriculture account for a steady shift in Louisiana's population to urban areas, resulting in the growth of a middle class consisting of merchants, professionals, skilled workmen, and persons in the service trades. These elements would naturally like to see

a general increase in purchasing power, and consequently favor development. It is from this burgeoning middle class that the "good government" movement typified by PAR draws its main strength. Founded 15 years ago, this privately-supported engine of reform was the subject of an article entitled "Louisiana's Wonderful Invention," which appeared in 1953 in Harper's magazine. PAR's impact has reached the point where its publication, "The Big Issues of 1963," formed the basis on which all important gubernatorial candidates in the last state election built their platforms.

Louisiana stands yearningly at the threshold of capitalist society. As in 19th century England, the forces of feudalism and welfare-ism have long united to frustrate the emergence of genuine free enterprise, hobbling economic progress through discriminatory imposts on productive enterprise. But public awareness of this fact has finally become so acute that the present state of affairs has few if any open advocates. Respected groups and individuals are eagerly exploring new avenues of reform.

Since politics reaches so deeply into every phase of life the people have developed a high degree of political consciousness. For the outsider this tends to be obscured by some of the more sordid antics of those who have been sent to Baton Rouge. The public is painfully aware of this — so much so that Louisiana's poor national image figured prominently as an issue in the last state election.

With what shall the old order be replaced? Is assessment uniformity culminating in a seven per cent average increase the best hope the future has to offer? Or is there a chance for the acceptance of that "more excellent way" familiar to HGN readers and most recently adopted in Hawaii?

The percentage of eligible voters who exercise the franchise is higher

in Louisiana than anywhere else in the Union, and state and local elections ordinarily command a higher turnout here than do national ones. The electorate has been often duped by charlatans but will support an honest program if only afforded the opportunity. Site-value taxation does have a chance for adoption in the Pelican State. But its value must first be publicized by effective techniques, and affirmed by able candidates for office.

The first of these requirements has already been partially accomplished by the Weller Report, an exhaustive projective analysis of the hypothetical effects of site-value taxation on the City of Natchitoches, a community of 14,000 which is the oldest settlement in the entire Louisiana Purchase. This study was recently completed by Professor LeGrand J. Weller of the government department at Northwestern State College, thanks to a grant from E. W. Walthall, and is scheduled for early publication by an academic journal. Foundation support has been obtained for an extension of this study to the whole of Natchitoches Parish, using a 100 per cent sampling.

An attempt to meet the second requirement has begun with the organization of the Tax Reform Association of Louisiana, Inc., which, a few days after the funeral of Sir Winston Churchill, distributed a special reprint of his historic condemnation of land monopoly, to 6000 selected addresses throughout the state. It has also disseminated on a smaller scale a pertinent article by Raymond Moley, books by Joseph S. Thompson and Judge John R. Fuchs, and the August, 1960, issue of *House and Home*. It is hoped that these efforts will in time lead to the satisfaction of the third requirement.

Robert V. Andelson Ph. D. is professor of Government at Northwestern State College, Natchitoches, Louisiana, and a trustee of the Tax Reform Association of Louisiana, Inc.

Noah D. Alper's Brief Cases

SWEDEN'S BETTER WAY

"When the city of Stockholm, years ago, foresaw the future need for new suburbs, it bought low-priced land beyond the city limits. Now it is extending high-speed modern rapid transit lines into these undeveloped areas and building carefully planned new communities along the routes. The rapid transit lines enormously increase the value of the outlying land, of course — and the income from this land can thus be tapped to help pay for the rapid transit. Stockholm in effect thus harvests the land-boom bonanza that the new transit lines create." This from "Getting to Work and Back" in the March report of Consumers Union of U.S., recognizes, however, that there is a better way!

"American cities experience the same enormous inflation of peripheral land values when improved transportation becomes available... It is not necessary for a government body to buy land on the Swedish pattern in order to tap these unearned increments. Much the same result might be achieved by taxing the land-value increase that results when a freeway or rapid transit line is opened up, and using the proceeds to pay for the freeway or transit line."

SITTING ON AN OIL WELL

A family built a \$55,000 home on top of an oil well. Why? The oil company "converted the tidal slough into a posh residential marina called Huntington Harbor, which sits on the Pacific Ocean south of Los Angeles. Like more and more U. S. companies, it has discovered that land can pay a prettier profit than almost any other investment."

Few articles expose the need to curb the land dealers as does this one in Time Magazine of February 5th. Morton A. Sterling, president of Sunset International Petroleum Corporation is quoted as saying: "The major fortunes in America have been made in land. There's no reason why corporations can't participate... Basically the formula is the one on which John Jacob Astor rode to riches more than a century ago... buy land in the path of population expansion and profit from its development or sale at soaring prices."

"Since land is the world's only major commodity in fixed supply, while population constantly rises, investment in land is, in the long run, the nearest to a sure thing. Owners also benefit from low assessments and taxes on raw land, which make it cheap to hold off the market while its value rises, and have other advantages under federal tax law... As long as the tax rules make real estate an enticing way to cash in on the population boom, more and more well-heeled corporations are likely to take the plunge."

THE GREAT AMERICAN TAX DIVERSION

While the cataracted eyes of the taxpayers are focused on federal spending and taxing, what of the states? State tax collections are up 8 per cent yearly since 1950, according to Tax Foundation's Monthly Tax Features, which predicts that the "47 legislatures meeting in 1965 will be after new methods to raise more money to provide the spending for services (health, roads, education, etc.) that engenders this revenue search."

Major tax sources are pretty well covered at present. Every state levies on gasoline, ranging from 8 cents a gallon in Alaska to an infrequent 5 cents in a few states. In 49 states there is a levy on automobile registrations and 49 impose death taxes. Taxes on cigarettes range from 9 cents a pack in Mississippi to 2½ cents in Kentucky. Before 1901, when property taxes provided 50 per cent of state taxes, only one of the present major state taxes was in effect. The "tax jackpot" came in 1933 when 13 states adopted general sales taxes; 9 levied on distilled spirits; 6 taxed individual income; 5 taxed corporation income; 2 levied on gifts and one on cigarettes.

So in the great shifting of the tax burden those who earn their living by labor are, with "representation," suffering the greatest tax abuse of all time — while those who garner rent of land are tax relieved.

Sydney Mayers

VIEWS THE NEWS

"Central Americans Lift Trade by Tariff Cuts" headlines a recent Wall Street Journal article, revealing that a "Common Market" established less than five years ago by Central America's five countries has already erased tariffs on 98.5 per cent of all products traded among them, and by mid-1966 will include every product. Needless to say, even this limited approach to free trade "is opening up sizable markets" and "is attracting a rising tide of new business ventures."

* * * * *

Let us desist from our constantly repeated accusation that the Internal Revenue Service is cold, feelingless, and lacking in compassion for the nation's taxpayers. That this is not so is amply evidenced by a ruling handed down by the IRS, holding that fees paid by Navajo Indians to "medicine men" for "healing ceremonies" are deductible medical expenses.

* * * * *

In an effort to protect the interests of the thousands of suburbanites who commute daily to and from Wall Street and Madison Avenue, the governor of New York advocates the purchase and modernization of the Long Island Rail Road by the state, at a cost of hundreds of millions of dollars. No mention is made by the governor of the fact that subsidizing commuter travel will vastly increase land values in New York City's outlying areas, inevitably resulting in higher rents, higher prices for homes, and higher taxes for those who are thus being "protected."

Fresh lobsters obviously have nothing to do with antique motor cars, and yet the discerning eye of the student of political economy can find a common denominator between them, in that each of these somewhat esoteric commodities is now enjoying a lively and profitable market, demand being widespread and prices at record highs. Whether it is a crustacean or a classic car, you can be sure that if an eager buyer is seeking it, the result will be mutually satisfying trade.

* * * * *

The Chase Manhattan Bank, biggest institution of its kind in the world, a few years ago erected a huge office building in New York's financial district, which is both a beautiful structure and an attractive address for prestige-conscious tenants, mostly well-heeled corporations. It is intriguing to note that, although Chase Manhattan maintains its main branch there, many bank departments which normally would be located in the same office are housed several blocks away — because the rents in its own edifice are too high!

* * * * *

Time was when a nation desiring to add a territory to its dominions would take up arms to obtain it, but Spain, which claims Gibraltar and demands its return, instead of war has turned to economic pressure, refusing to trade with "The Rock" and discouraging tourists from traveling there. Whatever the merits of Spain's demand, it will be interesting to see how successful its novel (and peaceful) method will be.

LVT—Friend of the Forests?

by HENRY I. BALDWIN

LAWRANCE W. RATHBUN of Concord, New Hampshire, mentioned in the February HGN, succeeded in getting an act passed by the legislature about 1947 that provided for taxing forest land and standing timber separately. This was the necessary preliminary basis for New Hampshire's "Act for Forest Conservation and Taxation" of 1949, sponsored and promoted by Governor Sherman Adams, but largely the work of this same Larry Rathbun. The act relieved standing timber of all annual taxes, retaining a tax on the land.

It has proved beneficial for years, but now there is growing concern that the increasing taxes on forest land alone will discourage anyone from holding land for timber production.

Is forest land being taxed at its full rental value? Ask any farmer or "tree farmer," and he will claim it is often taxed at many times its rental value—and 87 per cent or more of the land area of the state is in forests.

One of the arguments for a land tax only is that improvements are not penalized and investment and business are encouraged. Improvements in forestry *are* investments in stand care, pruning and thinning. It was hoped that the 1949 act would encourage investment in forestry because these "improvements" would not be taxed, and trees could be grown until they were economically mature. It is true that some of these hopes have been realized, but cases are also known where the land taxes were raised in 1949 to equal the land and timber assessments before. Far more serious is the tendency for the town Selectmen

to jump assessment of forest land without any regard to its productive capacity or location. Under these conditions trying to develop the productive capacity of the land becomes an expensive hobby rather than a business.

It is small wonder that few if any wood-using industries own the land on which their raw materials are grown, or that forest-based industries have been declining in New Hampshire during the period when a favorable climate should have prevailed because of land only being taxed. Other factors, too, have influenced the decline. Nevertheless the specter of an unlimited increase in forest land assessments can appear as formidable as mounting taxes on improvements once were.

This does not mean that the principles of Henry George should be rejected. We owe much to devoted Georgists in New Hampshire like the late George Duncan, and to the leadership of unselfish citizens like Lawrence Rathbun and Heman Chase. When 87 per cent of the land is supposed to be taxed on land value alone, what is holding back development of forestry? Obviously the tax burden must be correlated with the returns from timber-growing. A subcommittee on taxation of the 1964 Governor's Forest Policy Committee concluded that the top limit for both land and yield taxes should be 30 per cent of net returns. Since many successful corporations operate under even higher taxes, it seems unlikely that taxes alone are responsible for the failure to make the most of New Hampshire forest resources.

●
The booklet entitled *Human Rights*, with excerpts from Winston Churchill's speeches on the land question, is now available at 10 cents a copy, from the Henry George News, 50 East 68th Street, New York, N. Y. 10021.

The Henry George School in the News

LOS ANGELES students and friends will hear Dr. Felix J. Weil on March 5th, author of "Tax Facts," a syndicated weekly column in Southern California. He is considered a property tax authority and has come up with 25 specific proposals for assessing and collecting property taxes. They will be discussed at the Friday meeting at 577 North Vermont Avenue. On April 2nd the speaker will be Dr. John Wiggins, a physicist and member of the board of the Henry George School. At a previous Friday-at-Eight lecture, a revealing presentation of the Cuban crisis was presented by Miss Marguerite Alexander who lived through it and explained how the misinformation was accepted as truth in the U.S.

DETROIT Georgists will be unusually busy this spring. Mayor James Clarkson, soon to begin his most crucial campaign (see p. 13), has presented to the House of Representatives and the Senate, a bill which will permit cities to levy a lower rate of taxes on buildings than is levied on land. This subject will not be a new one to newspaper readers. The Detroit Free Press recently took notice of the urgent pleas for assessment reform brought by Benjamin F. Smith of Grand Rapids.

The spring term is opening with six basic classes and one advanced class downtown in Applied Economics. The first six evenings will cover international trade, and the final four monopolies, public debts, governmental functions and industrial and rural problems. The textbooks are *Protection or Free Trade* and *Social Problems* by Henry George. Former students are invited to come for a review.

SYRACUSE went after dropouts this spring with the suggestion that they re-enroll for the Fundamental Economics course in March.

Bette Breese dropped a quaint progress-and-poverty note regarding Kul B. Sharma of Nigeria who went to Syracuse after the international conference held last summer in New York. It seems Jerry Enright took him all over the city—to the university and historic places of interest far and wide. They also met the mayor, other politicians, and union leaders. All this was accomplished without a car, and this gave Sharma his biggest surprise. Kul has his own car in Nigeria, of course, and naturally supposed everyone in Syracuse had one.

NEW JERSEY may be able to boast a Georgist mayor too. Leo Cohen of Oakland, New Jersey has filed to run as an independent with the slogan, "Tax Justice Now." He is a trustee of the Henry George School in Newark. If he succeeds in November, he says he will have one of the largest "classes" in the state because he intends to campaign for sound taxation policies.

NEW YORK'S spring term will open in April with 13 basic, 4 intermediate and 5 advanced classes at headquarters — one of these, European History, is being given after an interval of 15 years. Also at headquarters will be 7 foreign language classes, including, for the first time, one in Hebrew — this is in addition to the correspondence course in that language (see p. 3).

There will be 6 basic and advanced regional classes, including another first, the Spanish basic course at the George Washington High School in New York City.

Fridays-at-Eight will feature on April 2nd a lecture and film on South Africa by J. R. Malin; films will be shown on April 9th and 30th. On April 23rd Doris Thorn will return with "Songs of Our Heritage."

Our Friends, the Newspapers

UP in New Brunswick, Canada, in what Engineer Archibald McColl refers to as "the bush country," his reports in HGN on the building of a bridge, with asides aimed adroitly at the local tax situation, were reprinted in full in the *Miramichi Press*. A next logical move was that the author was asked to speak at several public meetings and even invited to run for office as a Conservative. But McColl will be McColl, and he pulls no punches. Asked to "talk on the bridge" he careened off into economics and ripped the \$40 poll tax on one occasion, after which the council repealed it.

The editor in a recent column wrote: "Last week's article by Arch McColl has caused the biggest reader response we've got to anything. This phone's warmer than the 'Hot Line.'" The reference was to a McColl article published on the editorial page, in which he flung out the taunt, New Brunswick leads in wealth, then "why ain't you rich? The answer is taxes — wrong taxes, a middle-ages type of taxes — taxes that have been foisted on the people by monopoly-loving governments of the past hundred years. . . . Why are there not more people? Taxes — that's why!"

The editors work hard and don't have time to write editorials or do research, but they like to raise a little commotion, says Archie, the bridge builder. "So give my love to all the boys and girls and tell them to write to the small weekly newspapers."

Newspapers, it seems, are a churl's best friend.

With our immodesty shamelessly showing we confess that two somewhat random HGN reports on Alex J. Duris's newspaper series in the *Western Carolina Tribune*, Hendersonville, North Carolina, have been repeated in the newspaper which pub-

lished them in the first place. A February 18th headline reads: "Duris' Municipal Series and 'Moment of Truth' re-printed in *National Weekly*."

"That's us," cried Director Robert Clancy. We aren't weekly but we *are* national—international, in fact.

Let's don't overlook the dailies. They're friends too. Steven Cord, an economics professor in Indiana, Pennsylvania, sent a clipping from the *Indiana Evening Gazette*, about a *Babson Report* stating that owning land is vital to the future, and is a hedge against almost anything.

"There are certain basic factors that make the buying of good, well-located land advisable at almost any time," says the report. "First, there is only so much land in the country, in each state, and in each community. There will never be any more, except for the minor instances where fill-ins form small areas out of watery shallows. There can be more stock issued, more bonds floated, more businesses established—and even more money printed—but the land now existing is the only land we will ever have." (How many times have we told you this?)

"While a severe depression would probably cut into land values to some degree, even then prospects would favor a more rapid recovery than might be expected in other forms of investment," not only because of the "absolute" limit to land amounts but also the unparalleled population growth. Buyers are told they should choose carefully, preferably near a growing city, and then be patient. Keep a sharp eye open for available sites on the waterfront as such property will become steadily rarer and thus more desirable.

If this sounds like a dry review of your basic course in economics, don't blame us. It was *news* to readers of the *Indiana Evening Gazette*.



Joseph S. Thompson's proposal, in the September issue of HGN, for "A Basic Income for Everyone," and Philipp Knab's comment on it in the January HGN provide an admirable summary of what Georgism must stand for in social policy and in a global aspect.

The tension now existing in the world is a consequence of a conflict of interests. First between ideologies, secondly between nations. Some supporters of one of these ideologies believe in forcing their full doctrine upon the rest of the world. Others of them have found by experience that it is against nature and does not work in practice. They are gradually giving it up and re-introducing individual reward as a motive in economic activity. It is, however, very unlikely that they will give up the first and only sensible item of their "Manifesto," and again give individuals the right to monopolize natural resources.

Politicians in other countries profess the ideals of liberty and individual property, but nevertheless uphold a system regarding natural resources which is a denial of these ideals. To remedy or stave off the disastrous consequences they are letting the methods of the opposing ideology insidiously creep in.

To get rid of conflicts between *nations* we have to make the world's natural resources a common right for all mankind, but we also have to have free trade, with freedom of navigation and transport (*laissez-passer*). Freedom of cooperation between individuals and associations of various countries must follow, without interference by governments.

Add together the tribute which la-

bor and capital must now pay for access to the world's raw materials, and the present total expenses for defense and military preparations — and then start dreaming about what mankind may become by using this sum to better advantage! Disregard the commands of natural law, justice and liberty, and there will be an end to mankind.

OLE WANG

Tonsberg, Norway

One of the frequently made statements that we accept without question is, "the supply of money." The mental picture that is formed might be a pile of gold, a stack of bills, an extension of credit, etc. None of these, of course, is money, but as recipients we immediately think of the use to which they are to be put and give no thought to their natures.

Spending is "purchasing power." "Spending" gold is barter, or exchange, since spending and purchasing are lay terms suggesting acquisition and are always associated with a monetary unit.

A government bill or note is a promise and an extension of credit, which, even though negotiable, is not good if the note is irredeemable. That is true of any credit that is unsound, and no money is involved in the use of such currency. In none of the cited cases of "money" above, can a supply be said to exist. These are evidence of money and the evidence may be true or false until there is proof. The mere acquisition of goods by the use of currency is not proof of the existence of money.

The conclusion is that the expression "the supply of money" should never be used. The term "money" should be used to refer to mere evidence of its existence. The proper term for such evidence is *currency*.

WILLIAM J. HARRINGTON, M.D.

Appleton, Wisconsin

The February HGN carries an article about Sir Winston Churchill. It states that in 1909 he, together with Lloyd George, Campbell-Bannerman and Lord Asquith, formed a Liberal government that passed a budget calling for a valuation for taxation purposes of all lands in the United Kingdom. The article states that this was "an unprecedented action since the days of William the Conqueror."

This is a mistake, perhaps an excusable one, because in 1696, in the reign of William and Mary, a Land Tax Act was passed, against the opposition of the House of Lords, calling for a reassessment of English lands and the imposition of a tax of four shillings on the pound of rental value.

URQUHART ADAMS
Edmonton, Canada

I have heard graduates and teachers refer to our basic reform as "public ownership of land." This is incorrect and misleading because it suggests land nationalization. The teacher or graduate will know that what is meant is public ownership of *economic rent*, but others will form wrong conclusions if this is not clarified. Other phrases must be found which are suitable and correct. A proper reference such as "public collection of land rent" may not be clear at once, but it will bring forth questions which can be answered frankly. This is preferable to using an expression like "the people will own the land," which gives a totally wrong view of George's proposal.

PETER PATSAKOS
New York City



As a hopeful result of the resolution proposed by S. James Clarkson, Mayor of Southfield, Michigan, an Advisory Commission on Intergovernmental Relations was set up and an expert was sent to Australia and New Zealand. This produced helpful material for preparing the LVT study, but much more concrete documentary material is needed, especially from the U.S., and James Clarkson, who is top man on this inquiry, is hoping that facts and figures will be abundantly forthcoming regarding a variety of communities and situations. This material is eagerly awaited in Washington, to supplement the research from the Australian-New Zealand report. Please strip down your reports on this to the clear essentials, and send them soon, to:

John J. Gunther, Executive Director
United States Conference of Mayors
1707 H. Street, Northwest
Washington, D. C. 20006

Mayor Clarkson will run for a third term this year against a formidable opponent. A rich and determined landowner, supported by even larger landowners, will be out "to get Jim this time." The opposing faction will try to encourage industry in Southfield and will suggest to homeowners that this will lower their taxes (which have already been reduced by virtue of Clarkson's reassessment program).

Now, while you are in the letter-writing mood, you may want to make an effort towards memorializing Henry George. The New York University is taking a poll of great Americans for its Hall of Fame, and George's name has been placed in nomination. The election will take place his year. In your most appealing prose you will surely wish to endorse this nomination. Write to: Dr. Ralph W. Sockman, Director, Hall of Fame for Great Americans, 1009 Fifth Avenue, New York, N.Y. 10028.

Steiner and George

(Continued from page 1)

Henry George, an inspired *thinker* and teacher, taught his students to *think* with him. Rudolf Steiner, an inspired *seer* and teacher, taught his students to *see* with him. Steiner taught very precise methods by which students might awaken and develop their own dormant seeing-powers. Both men may be called physicians of the illness that now afflicts the social organism everywhere. What is a social organism? What is its world-wide illness?

The East - West Split

A social organism is the polar opposite of a biological organism, where the cells are formed by forces impinging on them from the *periphery*. Contrarily, in a social organism, the character and interaction of individuals shapes the total organism from *within*. This is not a definition of the two types of organism but is merely meant to characterize the polarity of their respective dynamics. Because socialists do not pay attention to this polarity, all their theories on the relationship between society and the individual are upside-down.

The Russian Revolution of October 1917 is the most glaring symptom of the world's social illness, leading to the East-West split. This split is merely the external image of the cleavage all men now experience between their inner world, which is subject to the moral order, and their external world, which is subject to the physical order: between these we cannot make any rational connection. Since people cannot live a double life successfully, even in their thinking, the cleavage has gone underground, has become unconscious, and, in accordance with a psychological law, has grown more powerful in its effects—especially in the East, where the reality of the inner world is being denied by state doctrine. But this doctrine has its roots in Western scien-

tific philosophy. How is it that they *do* in the East what we merely teach in the West?

Western man is relatively much stronger in his will than in his thinking, while the opposite situation prevails in Eastern man. An understanding of this polarity between Western and Eastern man becomes easier if we remember that, for instance, in America every second man is supposedly a born mechanic, whereas in Russia every second man is reputedly a born chess player. This distribution of native talent makes the American typically a pragmatist, averse to dogma, while it makes the Russian typically dogmatic and highly logical.

Thus we teach our children that physical evolution, far from being the result of divine guidance, is the work of blind material forces, producing finally, and by accident, man as the surviving top dog. The Russians, accepting this, see nothing wrong in improving on the seeming planlessness. Would it not be much more humanitarian, they say, to rule individuals in society for their own good from a central spot? If there is no divine guidance, plan, or intention behind physical evolution, would it not be more logical if a state brain trust guided human destiny in accordance with sound earthly necessity? Is such an outlook, on the premises of Darwinism, not more logical than our western society? Of what use is personal liberty if it is not essential to a higher purpose?

A science that bases itself entirely on physical and terrestrial premises will produce a totalitarian state by way of inner necessity if it takes hold of a population with a highly intellectual bend of mind. In such a society there is no room for any wisdom beyond the physical in which man may be able to participate. Even so, it should be noted that the Russians, typically, did make a religion out of our western theories,

Rudolf Steiner (1861-1925) was the educator, scientist and philosopher whose teaching initiated the world-wide Anthroposophical movement. Today his discoveries are well known and highly regarded for creative and significant new methods in education, art and agriculture, as well as for their metaphysical implications.

H. Jan Ritscher, Vice President of Volkswagon of America, in Englewood Cliffs, New Jersey, spoke at the New York Henry George School on February 19th. This article presents the main points in his address and indicates a Steiner-George similarity of outlook. Lancaster M. Greene, Vice-President of the Henry George School, presided.

and their society is in essence a perverted theocracy; not subservient to a god in heaven, but to its anti-image on earth — a power that works in matter and in the economy. Thus in the Russian and other Eastern revolutions a thought error of the West incarnated in the form of social monstrosities and now threatens our survival.

In 1916 Rudolf Steiner provided the leading men of his time with an answer that could have staved off the threat of totalitarianism in Russia if his proposals had been heeded. In 1919 he elaborated them in his book *The Three-Fold Commonwealth*. It demonstrates how the law of the triad in cosmos and man works in human society. This should not sound strange to Georgists since Henry George speaks of the "three world factors" — matter, energy and cosmic spirit — and calls them the basis of existence. Similarly, he refers to three factors — land, capital and labor — the cooperation of which produces all wealth.

Steiner's law of the triad demonstrates the existence in every field, of an active factor or force at one pole, a passive factor or force at the other, and a mediating (sometimes oscillating) factor between the two. In the cosmos, spirit is the active force and matter is the passive one, while energy

flows between. In society we have at one pole the human search for truth, beauty and the good — the domain of culture. It gives the inner sinews of performance, the possibility of achieving the useful, to the economic or business domain, its opposite; while in between is jural or political life, embodying the human desire for justice, mediating between the cultural and economic domains. The cultural world is that of the individual, the economic world that of the world-wide community of trade and industry, but the political world is by nature the world of groups. A "world government" at this time would be a super-tyranny, since our notion of justice, for instance, is quite different from that of the Russians, Arabs, Chinese, etc.

The Principle of Equality

As Steiner pointed out, the French Revolution in 1789 culminated in the slogan, "liberty, equality, fraternity." It is obvious, however, that we cannot apply these principles with equal relevance in each one of the three social domains. The principle of equality serves as a perfect orientation for any action taken in the jural or political domain, for individuals are indeed equal before the law, or should be.

But what happens if we transplant the principle of equality into either the cultural or economic domain? In the first it would result in efforts to make people's attitudes alike. This is indeed what happens through our public schools, because we think of educating mistakenly as a community task. Actually, educating is a cultural effort that should be left to the freedom of individual choice and organization. Thus, education may well be financed by the local community or even the central government based on equality among all types of education, without a financial penalty on parents who choose other than state or community-operated schools for their children. But we

should not "equalize" the process of educating itself, as we do when we create a de-facto monopoly position for the public schools.

Transplanting the principle of equality into the business domain results in tax or other penalties on the efficiency of human labor in the attempt to equalize peoples' economic status. Even the Russians have found this socially unfruitful. That does not mean that the element of liberty is inadmissible in the economic domain, for the freedom of contract is a vital ingredient in any sound economy. But this freedom has, in the economic domain, a *regulative* rather than a constitutive, char-

acter. In the cultural domain, where the relationship between individuals is not a contractual but entirely an inner one, liberty is a *constitutive* element — without it there could not even be any inner or cultural relationship between individuals.

Again and again people argue the question, "what is the social good?" I do not believe it is possible to give any static answer to this because it involves the development of our inner vision. Yet we can hope that the social good may have a better chance to *happen* if our society corresponds in structure to the structure of the cosmos, to the Law of the Triad.

The Editor of *The Standard* is offering a cash prize of £5 for the clearest and simplest reply on what is wrong with the following:

"The rent of a piece of land is equal to the excess of its produce over that yielded by the same application of labor (including capital) to marginal land."

The competition will remain open until the first of July 1965, and if two or more answers share equal merits the prize will be given to each in full. Write to *The Standard*, Box 666, G.P.O., Sydney, Australia.

The annual banquet of the Henry George School will be held Wednesday, June 9th at the Sheraton Atlantic Hotel, New York. The theme will be the 40th anniversary of the Robert Schalkenbach Foundation. A panel of speakers will discuss various phases of this Georgist organization's work and goals. One speaker will be Walter Rybeck (see page 3). Miss V. G. Peterson, Executive Secretary of the RSF is presently touring Africa, and will visit the New Era College in Nairobi, where Kul B. Sharma has started an extension of the Henry George School.

Many friends are responding to the call of the west and have announced their intention of coming to the annual conference of the Henry George School, July 14-18 at Pacific Grove, California (100 miles south of San Francisco) in the Asilomar Hotel.

Mr. Robert Clancy,
33-53 82nd St.,
Jackson Heights, L.I., N.Y.