

the Henry George News

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Doc Yellen — Giant Killer

by CLAYTON BAUER

BRAVE BEN YELLEN, the Brawley (California) medico, has won a resounding triumph over the land monopolists of Imperial Valley. Virtually single handed, he challenged the associated greed and brute force of the powerful land barons. Most Valley folk would not have bought odds of one against a million that Yellen could thrash the vultures of privilege. His victory rates as the economic upset of the year.

Of 5,000 landowners in the Valley, says Doc, 400 held a third of the almost 500,000 fabulous bonanza acres. Fully 70 per cent of the acreage was owned by absentees. The landlords' greed had squeezed out 1600 family-type farms. Families of local jobless actually faced starvation in one of the world's most prolific fruit and vegetable gardens — an oasis of unsurpassed fertility. The forces driving American farmers from their beloved land are the same forces picking your pockets at the supermarket.

Yellen is 58, a bachelor and practicing physician. His eyes are trained to seek causes from symptoms. Some time back a Mexican "stoop laborer" sought his help. The man had suffered a hernia, and Doc found it strangulated. Know what that means? If untended the man might die, cruelly.

This peon earned perhaps \$14 a week, spent \$13.25 a week for food at the labor camp and had another dollar deducted for "medical insurance." He got no note of the services due him, and he couldn't read anyway.

The policy in such cases was to dump aliens in their own country and threaten them with imprisonment if they tried to re-cross. Yellen's gorge rose as the U.S. Border Patrol allegedly picked up the hurt man and ran him out of the country. He took a hard second look at his Valley and set out determined to take the case to court.

From the early forties Yellen had watched the gradual uprooting of the family-type farms. Where once districts like Magnolia had been dotted with homes, sheds and clumps of cooling trees and shrubs, big machines had ironed out the land. The homes had gone to the town or outskirts. The fields stretched far and wide — and were all but empty of people.

The Ervine Company alone could claim title to 12,000 acres — every one as good as five of the best Midwest gumbo. Thus the holdings could produce as much as 60,000 Iowa acres. Furthermore a feudal empire of 93,000 acres in Orange County belonged to

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A Word With You

ON the upper west side of Manhattan there still stands a dilapidated house, vaguely a public monument, which was once the home of Alexander Hamilton. In a neglected corner of Central Park is a weather-worn statue of Hamilton, its base scrawled with graffiti.

Hamilton's arch-rival, Thomas Jefferson, has fared better. His home in Monticello has been handsomely restored, and an impressive monument to his memory stands in Washington, D.C.

We all consider ourselves Jeffersonians today, I suppose, and scarcely anybody would call himself a Hamiltonian. Jefferson, the great apostle of liberty and decentralized government, versus Hamilton, the conservative and advocate of centralized government.

True, Hamilton wanted a strong government, but one that could act for the common good. A conservative, he was a stauncher believer in civil rights than many of today's conservatives.

We cannot today (we Georgists, at any rate) go along with Hamilton's tax policies of tariffs and excise taxes, but his economics was not all bad. He did believe in the main in the free market, but thought government could offer "prudent" aids to industry. He did not believe so much in protection as in subsidies — an idea which Henry George also favored over protection. Another "prudent" government aid he

proposed was the building of roads — not at all shocking to us today. And he did propose a land tax for the support of state governments.

In promoting manufactures, Hamilton was perhaps a better economist than Jefferson, who was influenced by the Physiocratic idea that agriculture was productive and manufacturing sterile. To this argument, Hamilton replied: "To affirm that the labor of the manufacturer is unproductive, because he consumes as much of the produce of land as he adds value to the raw material which he manufactures, is not better founded than it would be to affirm that the labor of the farmer, which furnishes materials to the manufacturer, is unproductive, because he consumes an equal value of manufactured articles."

We rightly call Jefferson a friend of man who wrote the Declaration of Independence, and also these moving words: "I have sworn upon the altar of God eternal hostility against every form of tyranny over the mind of man." We may also call Hamilton a friend of man who wrote:

"The sacred rights of mankind are not to be rummaged for among old parchments or musty records. They are written, as with a sunbeam, in the whole volume of human nature, by the hand of the Divinity itself, and can never be obscured by mortal power."

—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, 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.

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LVT and Urban Administration — 1965

by CHARLES F. LEONARD

FOR many years a prominent shaft in the Georgist's quiver of arguments for the single tax has been the assertion that the application of land value taxation would facilitate the solution of other local government problems. With increasing frequency of late there have been reports indicating that this claim is getting a hearing in certain mayors' offices and city council chambers through the nation. One such report entitled "Are Property Taxes Obsolete?" published in *Nation's Cities*, and discussed in the HGN (May, 1965) concerned a study of land value taxation made by the U.S. Conference of Mayors.

In the light of this more receptive attitude among municipal officials toward land value taxation, Georgists might venture with more confidence to emphasize this practical approach to the subject. How can LVT be integrated with other essential urban programs? Briefly I should like to list three programs that are variously helping to achieve such integration and should furnish clues for well informed students interested in civic matters, to adapt to local affairs by means of letters to newspaper editors or in talks to service groups.

Consider Houston, Texas, for instance. It is the only large American city that does not have and never has had, a municipal zoning ordinance. In an article in the April 1964, issue of *The Real Estate Appraiser*, and again in a speech given in September, 1965 to the International Conference of Tax Assessing Officers, M. W. Lee of Houston argues that zoning ordinances contribute greatly to the acute shortage of good quality, close-in housing and around our major cities. He cites a study made by the New York Metropolitan Region Plan Association, which found that many close-in suburbs of

New York City with zoning, required lot sizes six times that of the average residential lot. In language that must sound familiar to many readers, Mr. Lee noted, "Average families cannot afford such luxuries of space. To secure a lot they can afford, they must live at greater distances from their jobs. The extra tax costs, as well as the added expense of transportation in time and money, are appalling."

Secondly, zoning was found to contribute to the economic stagnation and spread of slums in the downtown areas of many zoned cities, by introducing artificial 'stickiness' into the natural evolution of land use patterns. Freezing of existing land-use patterns not only tends to exclude commercial buildings, shopping centers and quality apartments from downtown areas, but it stifles the rise in land values and local tax revenues that normally accompany such growth. Existing buildings, rather than being replaced, are simply allowed to degenerate. With no prospect of healthy renewal occurring spontaneously, and with no local funds available to finance a public renewal program, the temptation to turn to federally subsidized land clearance and public housing becomes irresistible.

In contrast to the housing *shortage* seen in most U.S. cities, Houston was one of two (the other was San Diego) that had a surplus of available, good quality housing in 1960, according to the Bureau of the Census. Houston has never had any local or federal program of urban renewal. But in 1960 it had the 8th lowest percentage of dilapidated housing of any U.S. city, and over the decade 1950-60 it showed a greater reduction in the percentage of such housing than three of these eight cities.

In San Francisco and adjacent areas a pioneering experiment in public trans-

portation is taking place. The Bay Area Rapid Transit District (BARTD) has a program subscribed to by the voters of a three-county region, which provides a modern rapid transit rail system to commuters.

The BARTD was described by John W. Dyckman in the September, 1965 issue of *Scientific American*, a landmark issue that was devoted wholly to the topic, "Cities." Despite one slighting reference to the work of Henry George, these articles are recommended to Georgists seriously concerned with the application of LVT. It is frequently stated that many needs of our increasingly urbanized population extend beyond the borders of the traditional units of local government—community, city and county. Region-wide needs for transportation, water supplies, recreational facilities and air and water pollution control, will in many cases require wholly new patterns of governmental organization, regionally based, as well as flexibility and efficiency in financing and taxing. Georgists should be able to explain these innovations clearly.

The BARTD regional approach is illustrated by the arrangements made for financing it. The primary capital costs of building the system will be met by a bond issue of nearly \$800 million, to be paid off by property taxes levied directly by the district over the three counties involved. Additional bonds will be issued if the system should later be extended to any of the other three counties that also border on San Francisco Bay. The cost of tunneling under San Francisco Bay will be met by a diversion of automobile tolls from the Bay Bridge Authority. Certain improvements will be paid for by each city participant from local funds. Federal grants will aid some of the planning and testing of new equipment in the hope that similar systems might be created for other areas. The operating costs are to be met out of rider fares averaging 25 cents to one

dollar a trip, with some back-up sources should these revenues fall short.

A third illustration relates to water management and conservation in the urban regional administration. The current water shortage affecting much of the northeast region, and the signing on October 2nd by President Johnson of the first federal water pollution control law for interstate rivers, both emphasize the urgency of water conservation for rural and urban areas. A new program in Ontario, Canada was explained by Edward G. Pleva in a collection of essays on "Comparisons in Resource Management," in five overseas countries. This volume edited by Henry Jarrett for the University of Nebraska Press, also contains other material of interest for Georgists.

Ontario, whose 413,000 square mile area makes it Canada's second largest province, contains one-third of that country's 18 million people. It has a barren northern region, with 93 per cent of the area of the province, but only 12 per cent of population; and a relatively well-settled southern region containing only 7 per cent of the area but 88 per cent of population. It is in the southern part that Ontario's local land and water conservation is proving effective—the northern section is largely Crown land.

This plan originated with the 1946 Conservation Authorities Act of the Ontario Legislature, which allows the municipalities making up the drainage basin of any river to organize as an authority. Each is given primary responsibility for the initiation, planning and execution of an over-all program of flood control, local water supply, pollution control, reforestation, fish and wildlife management and outdoor recreation. Representation of each municipality within the authority is related to its population, with some preference being shown to smaller cities. The authorities range in size from one of 86 square miles with 8

municipal members, to one of 2,614 square miles with 78 members.

Their powers extend to acquisition of personal property or land deemed necessary for conservation purposes, employment of laborers, drawing agreements with landowners, collection of fees for use of facilities, and allocation to member communities. These authorities are not staffed to carry out detailed land surveys or studies of the resources and needs of their areas, but they may draw on all the agencies and personnel of the provincial government for such studies.

Like BARTD, the Ontario Conservation Authorities Act recognizes several classes of expenditures: maintenance and administrative expenses and direct capital costs for dams, reforestation, parks, etc.

The provincial government covers 50 per cent of the direct capital costs and administrative expenses—the authorities assume the remaining half, plus 100 per cent of the capital maintenance costs. Revenues are contributed largely by member municipalities from local property tax revenues. The amount and proportion of individual contributions are indicated on each

landowner's tax bill. For flood controls costing more than \$5 million, the national government provides 37½ per cent of the cost, the provincial government an equal share, and the authorities the remaining 25 per cent.

The Conservation Authorities Act, though self contained for its own purposes, dovetails with other Ontario laws for resource use and area development such as the Planning Act (1946), the Water Resources Commission Act (1957) and the Highway Needs Program. Although no particular method of local governmental financing is specified in the operations, the opportunities for introducing LVT, as the efficient, socially beneficial method, should be apparent. While all basic education must be improved and greatly expanded, I believe students of Henry George should devote increasing attention to the study of local LVT application.

Charles F. Leonard, a graduate student at Columbia Medical School, is secretary of COLT (Committee on Land Taxation) at the Henry George School in New York. This committee is preparing a manual for early release on the application of LVT to such local situations as those referred to above, and many others.

Individual Georgists, faced with the desire to bring about an all-pervasive reform, have for years extended themselves mightily to influence others. This zeal dominated the movement as far back as the late 1800's, when its resources of money and effort were poured into political campaigns to influence voters.

Suppose the same amount of sacrifice had been invested in establishing schools and colleges. At present we reach ten while other institutions turn tens of thousands against us. Think of the well informed Georgists that would have evolved in eighty years if the irresistible force of George's logic had been released in our institutions of learning. Can we learn from the past or are we going to continue to send children to schools which misdirect their thinking?

—Kenneth R. Hunt

Calling for a quick solution in the Common Market deadlock, Georges Villiers, president of the Federation of French Industries, said, "The most important event of our epoch, without any doubt, has been the lowering of the quota and tariff barriers which protected France from foreign competition. We believe this to be a healthy evolution and have proved it, in the most specific way, by giving our active adherence to the work undertaken since the signing of the Rome Treaty."

A step toward freer trade has also been taken on this side of the ocean. The U.S. and Canada have recently completed a reciprocal agreement for free trade in cars and car parts.

Sydney Mayers

VIEWS THE NEWS

One of the most striking comments we have heard concerning the recent power failure in the northeastern states was that of a friend, who opined that "somewhere along the line somebody ignored or defied the laws of physics, and the result *had* to be catastrophe." Our reaction to this discerning observation was an obvious analogy: that when men "ignore or defy" the natural laws of political economy, then too is a "blackout" the inevitable consequence.

* * * * *

There is a strong movement on the part of government and industry to discourage the widespread and growing tendency toward early retirement by union members, on the ground that the nation's economy needs the skill and ability of experienced workers. It seems to us that as much effort should be applied to discourage the "retirement" from production of the vast amount of land which is being held out of use by its speculating owners, whilst they confidently await a profitable rise in its value.

* * * * *

The railroads, which only a few years ago were pitied, pampered and protected because of their declining income and worsening prospects, are now enjoying a remarkable recovery, evidenced by thriving business and high earnings. Let us note that the "sick" railroads were "cured" by a renewed public demand for their services (a demand sparked by new cars, better facilities, lower rates and other improvements), and *not* by tax-supported subsidies.

Consumer demand for certain goods (notably automobiles, color TV receivers, office copying machines and instant cameras) is so great that manufacturers of these items, in an effort to speed delivery to their impatient customers, are hastily increasing their production facilities. We consider it apropos to point out that eighty-six years ago, in *Progress and Poverty*, Henry George formularized this principle: "The demand for consumption determines the direction in which labor will be expended in production."

* * * * *

The Wall Street Journal reports there is "a new wave of protectionism sweeping the world, from industrialized Britain to underdeveloped Ghana," all the nations involved being eager to cut their "trade deficits." Apparently these countries have not yet learned that, just as it takes two to tango, it takes two to trade; and that international trade is not a one-way street, but a two-way highway.

* * * * *

Yielding to the government's economic and political pressure, America's aluminum companies have rescinded the price rises they had announced; and many businessmen complain that the administration is trying to "repeal the law of supply and demand." Their resentment is understandable, but their logic is poor, because a *natural* law just cannot be repealed — what does happen is that those affected often withdraw from the public marketplace, and operate instead on a mart that is grey or black.

"Tidying Up" the Local Scene

by W. H. PITT

THE Shire of Ferntree Gully was a municipality covering about 130 square miles about fifteen miles east of Melbourne, Australia. It ran through pleasant undulating hills to the nearby mountains and plateau-country, and served a population of some 58,000 living in homes valued around \$16,000.

Sixteen years ago I moved with my family from one of Melbourne's inner suburbs to Bayswater, a few minutes' walk from the railway which carries me to my city job. There were a great many vacant blocks, all, like so much of the farming country, held for speculation, and I immediately started in with letters to the editor of the local (sympathetic) paper, advocating that the shire revenues be got as a charge against the land value instead of the building value.

For years this effort seemed fruitless, but after a while there was a response and then I began gathering signatures for a demand that would bring the case to a vote. The opposition answered with action in the form of a move to split the area into two municipalities. There were several purposes here; to raise a side issue causing a few years' delay; to take one portion away from my concern; and to cut off the western end from the assistance of the sympathetic newspaper editor.

But two years ago, just as the severance took effect. I found a newly arrived enthusiast, and we organized a public meeting where we got enough support to form a body with site rating for its objective "for all revenue purposes in the Shire." Perhaps because of the opposition with which we were immediately faced, we have gone from strength to strength.

Our first job was to persuade 10 per cent of the ratepayers to sign a

fresh demand. We got this by working from tables outside polling booths one federal election day. Next we asked ratepayers to pledge 20 per cent of the first year's saving effected by the new system. We explained that it would be impossible to approach all who stood to gain, so we had to touch pretty hard those whom we could.

By rights the poll ought to have been held later that year. However, this didn't suit our opponents inside the council and they were able to obtain a deferment for twelve months. We objected as violently as we could in print and took every possible political advantage of it. But the additional year gave us many advantages and allowed us time to plan street corner meetings and distribution of leaflets.

Our opponents forecast all sorts of dire results if the people were to vote "YES." Fortunately we had made an analysis of figures from an adjoining municipality where the reform has been operating for several years with good results. On polling day, August 28th, our site rating won by a vote of 17432 to 11583, and we elected two representatives to the council, who have revolutionized things in the few weeks they have been there. The first meeting was electric in atmosphere, as our men made it quite clear that mere rubber-stamping days were over and henceforth the council would be open for debate.

Our objectives were clear — all revenues would be on the site value system. We knew the law somewhat better than our opponents did, and watching from the gallery, we saw their astonishment when our members blandly moved for the water revenues to be raised this way. There was silence for a full minute that seemed like a requiem for the bad old system we are in the process

of ousting. Whether it happens this month or next, our "Site Rating Association for the Shire of Knox," is quite confident of the outcome.

About 9,000 homes in my municipality will save around \$25 a year in the general rate, and about half that much again in the water rate. Holders of vacant land make up for the difference — and they are squealing! The same is true in the other portion — the easterly, more elevated area — and there are about 6500 homes there that will benefit.

All this came about because our "sympathetic" editor and some of his friends had the patience and persistence to gather the necessary signatures for demanding the vote, and then aroused the public interest with publicity efforts. The other adjoining municipality — where the general revenues had for some years been raised on the site value basis, but where there had been no change in representation on the council — now finds also that the charges for water must henceforth be on the site values.

The operation therefore seems to have recovered about \$600,000 of a Georgist-type revenue that has hitherto been falling quietly into the pockets of landholders. They are from now on going to be just that much more ready to sell the land they have been sitting on. One long term effect will be that the price of land here will come down by some \$12 million. A year or two back I suggested a slogan, "The price of land is your enemy." I'm rather proud now of the dent we have put in the enemy.

But what gives me even greater cause for pride is the way the members of the SR Association have held together as a group and widened their grasp of economic principle. Our primary objective has been gained, but we are not content to let it rest at that and are now actively seeking ways of making the site rating applicable on

more levels of government than merely the municipal.

There is "tidying up" to do on the local scene, along with the election of suitable councillors over the next few years so as to protect our gains from counter attack and keep a check on the correctness of the "assessed" land values. Here we intend to follow the Danish practice of showing the values on subdivisional plans or maps. But we will go a bit further and show what we consider to be the market values, alongside the official figures. We reckon to display these maps where the public can see them and believe this will result in a standard of accuracy that has never previously existed in municipal finances. The opposition is not expected to like it, but the results will be good.

From the viewpoint of the economist (Georgist variety) I'm hoping then to have a subcommittee research a little further and convert the figures from the capitalized land price basis, back to the annual site rent basis, i.e., from the artificial back to the natural. I think these maps then will show, in a very practical fashion, that the Georgist reform is not unattainable.

There have been all sorts of heartening developments from this local operation. To mention one, I was invited into a home to receive a donation and be told that, although my host had for many years recognized the correctness of the Georgist argument, he had hitherto considered it impractical in that he thought it required action from the central government down. I had now shown him that the objective was being worked from the local government level — the base of the structure — upwards to its pinnacle, with each step bringing individual benefits.

Thus from start to finish there have been joys of different kinds affecting different people — and this is by no means the end.

HENRY GEORGE NEWS

Noah D. Alper's Brief Cases

NUCLEAR RESEARCH AND LAND BOOM

According to The St. Louis Globe-Democrat, St. Louis has a made-to-order perfect site for the 200,000,000,000 electron volt National Accelerator Laboratory. It's true, and no need to list the features. "From every angle, Weldon Spring (just west of St. Louis) is the perfect site. Should representatives of the National Academy of Science, which has been appointed to assist the AFC in making the decision, agree, it would be a tremendous boon to the St. Louis area."

This in turn will set off a tremendous land boom, and don't think the St. Louis "earthlords" don't know it.

HOW MUCH RENT-OF-LAND IS THERE?

A bill to wipe out our national debt was introduced by Senators Paul H. Douglas, William Proxmire and Lee Metcalf and reported on by the Labor newspaper. Senator Douglas estimated that the shale lands in Colorado, Utah and Wyoming, mostly government owned, might produce as much as 1,000 barrels of oil at a market value approaching three trillion dollars. Developed by private companies at a royalty of 12½ per cent it would yield approximately \$390 billion—more than enough to pay off the \$320 billion national debt.

Senator Douglas said, "I warn all parties, including the executive branch of the government and lobbyists involved in development of this wealth, that many of us in Congress will be alert to any attempt to deprive the people of their rights to this natural resource."

And what if this principle of the rights of the people were applied to all natural resources?

TROUBLED LOS ANGELES

"As the city pushed outward, land for housing tracts became increasingly hard to find. Today, western San Fernando Valley and the Santa Monica Mountains are among the few underdeveloped areas. Land prices have skyrocketed, thereby adding to housing costs. Land that cost \$2,000 an acre 10 years ago now sells for as high as \$40,000 an acre." (From U.S. News & World Report, August 30, 1965).

"TAXES AND THE DEATH OF CITIES"

What moral justification can there be for giving land speculation more favorable tax treatment than any other income source?" asks Perry Prentice in "Taxes and the Death of Cities" in the Architectural Forum of November 1965. "How can anyone argue that deflating the price of land by making landowners pay all the community costs needed to make their land salable is an attack on our whole system of private property?"

At the time when New Yorkers are facing new taxes in several areas with, as a last resort, an income tax—it is appropriate to ask, as Mr. Prentice does, "is heavy taxation of the community created location value of land morally wrong?"

A series of articles in the New York Herald Tribune, reviewed in the March 1964 HGN (Who Owns Us), pointed out that taxes on profits are driving investments into land which is lightly taxed—whereas a reversal of this situation would spread the benefits equitably.

[The HGS is making reprints of the entire article from Architectural Forum and these will be mailed to members, from the New York headquarters.]

It is often said that "if government did not do so much to hurt the people it would not have to do so much to help them."

A Sigh for Cities

A CITY DESTROYING ITSELF: An Angry View of New York, by Richard J. Whalen. William Morrow & Co., New York, 1965. Paper, 95c.

"Angry" is the word for this book which relates in sorrow as well as anger, the things that are happening to New York — and to other cities as well. Bleak monsters of office buildings, soulless housing projects, strangling traffic, poisoned air, a city remorselessly defaced by "urban renewal" — these are some of the things Mr. Whalen laments.

Perhaps the author is a little *too* angry, for he seems to lash out at almost everything that is happening. I can agree with him when he waxes indignant about the Pan Am hulk of a building clogging mid-town; but why shed tears over that huge barn, the old Pennsylvania Station? He wants nice buildings in key areas; why not admit that Huntington Hartford's museum helps fill the bill, instead of grumbling that it "has not notably graced the area"?

Jane Jacobs has also written an angry book, *Death and Life of Great American Cities*, which is cited by Mr. Whalen. Federal urban renewal plans, she pointed out, are almost a guarantee that a city will go from bad to worse. What then is the remedy? Mr. Whalen is not very specific. He thinks New Yorkers should care more about their city and complains that "New York has the look of a place that has been abandoned, physically and psychologically, by those citizens who might bring about its rescue."

But isn't *that* the problem? *Why* have people who could do something fled from the city? It must be because the city was no longer worthwhile, because it cost too much to live there and was not giving enough satisfaction. And this brings us to the "number one problem — the high cost of land." Mr. Whalen only touches briefly on it. Unless it is solved, not only New York, but the places where the middle and upper-middle groups have fled, will also go downhill.

—R. C.



A new Georgist publication, *The Rating Bulletin*, is being issued by the New Zealand Unimproved Value Rating Association, P.O. Box 951, Wellington. This recently re-named association has limited its objective to promotion of rating on unimproved value, believing that this plan of local taxation will benefit both the local body using it and the country at large, and will make desirable local reforms easier to attain.

This New Zealand equivalent of land value taxation makes improvements on land a tax free investment, and "tends to make unprofitable keeping land unused or under-used" . . . giving a municipality or county "a built-in stimulus to progress and a deterrent to stagnation." The publication includes specific and detailed tax data for several localities, and is a practical aid in local reform.

From New Era College in Kenya comes a student monthly edited by Kul Bhushan, with refreshing glimpses of student life. For instance, a letter signed "College Girls," states, "A few weeks ago a boy tried to hold one of the girl's hands. When questioned by a staff member he denied the fact. Was it not rude? Was it not that he hid the truth?"

How would it be if we imported some of Kenya's decorum for American colleges?

HENRY GEORGE NEWS

Progress Or Poverty

In a report for the Conference on Economic Progress (Washington, D.C., Dec. 1964), Leon H. Keyserling wrote in *Progress Or Poverty*, "more than 66 million people, or about 35½ per cent of our population, lived either in poverty or deprivation in 1963."

"Families with incomes under \$3,000 a year, and unattached individuals with incomes under \$1,500 a year," he writes, "live in poverty. For these ceilings are enormously below the average 'modest but adequate' budget."

The author distinguishes between the deprived and the poor. "Families with incomes below \$5,000 but above the poverty level, and unattached individuals with incomes below \$2,500 but above the poverty level, are living in deprivation; especially as the average income of these people falls very far below \$5,000 and \$2,500 respectively." The deprived get by but any adverse turn will pull them down to poverty. It is pointed out that these people "live under special psychological, social and moral pressures." Low income is stressed as the one universal characteristic of all the poor and "only programs which increase their incomes can reduce poverty."

Unfortunately the proposals he advances to increase income or real purchasing power have one fatal flaw—they don't work. Some of them are: increased federal spending, income tax breaks for people in the lower third, more liberal expansion of the money supply, urban renewal, minimum wage laws (\$2 an hour is proposed), education, training and retraining programs, "medicare," workmen's compensation and others. The report offers two basic ways to reduce poverty, i.e., by increasing the nationwide per capita production of goods and services so that average levels of living rise enough to help the poor as well as others, and/or by improving the nationwide distribu-

tion of goods and services so that a fair though not equal share is received by those on the lowest rungs of the economic ladder. None of these proposals do anything to eliminate privilege, and poverty, being a relative term, cannot exist without privilege. The biggest privilege of all, private collection of land rent, is not mentioned.

Along with others who have written about poverty within the last hundred years, Dr. Keyserling states that "an American, Henry George, brought forth *Progress and Poverty* in 1879. We might even now draw a lesson from the fact—bearing upon the feasibility of developing popular interest in the subject—that this book, although hard to read by current standards, was translated into many languages and ran through more than two million copies within a quarter century following its advent.

"Henry George was not a follower of the 'school of scientific socialism' headed by a German, Karl Marx. George's thinking grew out of the American environment. Yet there were some aspects of Marxism in his thesis that the march of progress for the few was accompanied by, and indeed generated, the deepening poverty of the many. And there was much to justify this thesis in the arrogant splendors of 'the Gilded Age,' in contrast with the miserable level of most working people."

It is ironic that the remainder of Dr. Keyserling's *Progress Or Poverty* proves that times have changed very little since George wrote *Progress and Poverty*. In fact a strong case can be made to show that it is even more difficult to make a decent living today than in 1879. This report shows the "what" of poverty but fails in answering the "why" as have so many others.

—Peter Patsakos

The Henry George School in News

ST. LOUIS students will welcome Dr. and Mrs. Harry Gunnison Brown as speakers at their graduation dinner meeting on December 7th at Christ Church Cathedral Hall. Dr. Brown, a distinguished author and lecturer in this field, will fill several other speaking engagements in the city.

Louis Basso is the school's new Advisory Board Chairman, and a real asset. A big membership drive is on, with a sneaky reminder to all the home folks that they will be hosts to the 22nd national conference of the HGS on July 20th. Georgist guests from North, South and Central America will experience the famed hospitality of St. Louis. Situated at the population center of the U.S., it is a good place for East and West to meet.

FAIRHOPE, Alabama student, Converse Harwell, writes to recall Elbert Hubbard's *Little Journeys to the Homes of the Great*. Somewhere near 1900 he wrote a succinct "Little Journey" about Henry George.

Mr. Harwell has studied the George philosophy with a number of Fairhope instructors and is currently attending, with high praise, the class taught by Claude Arnold.

MIAMI instructor and director, Raymond Abrams, was wedded on Thanksgiving day to Grace Contrino, with the good wishes of all. This is reason enough for postponing a class for the new year—one was recently completed.

RIPON, Wisconsin is being exposed to the ideas of Henry George through the continuing efforts of George Menninger, Jr. who has recently given out some 150 sets of related literature. He says he has put "the problem and the true remedy" in his window, and the number of college students stopping by has greatly increased.

PHILADELPHIA will celebrate thirty years of adult education by the HGS when its fall term graduation is held at a dinner meeting on December 11th in the Warwick Hotel. Dr. Robert H. Coates, adult education director of the Philadelphia school system, and Professor Steven Cord of the Economics Department of the State College in Indiana, Pennsylvania, will speak. Robert Clancy, director of HGS in New York, and Julian P. Hickok, founder of the Philadelphia HGS, will also address the group. George Collins, Philadelphia director, will preside.

SYRACUSE, New York newspaper readers were given an extensive introduction to Henry George through the generous efforts of Jeremiah F. Enright, who used two full columns to celebrate the 68th anniversary of Henry George's death, and to emphasize the fact that property tax reform is badly needed today when land speculators benefit from unjust and illegal assessments at the expense of homeowners, labor and the business community.

NEW YORK will honor its former faculty member, Steven Cord, now a professor at Indiana State College, Indiana, Pennsylvania, whose book *Henry George — Realist or Dreamer*, has just been published. At a holiday dinner on December 29th at school headquarters, for students and teachers, Professor Cord will speak and autograph copies of his book.

CALIFORNIA, COLOMBIA classes have ended for the first year on a high level. The director, Hernan Sanin Vermont has conducted lectures and conferences in several cities of the Valle State. Next year, in addition to several courses in economics, Robert Clancy's book, *A Seed Was Sown* (Spanish language edition) will be presented.

(Continued from page 1)

Ervine who backed this vast domain with \$120 million of wealth. With both money and land behind them, farm bosses could insinuate themselves or their pawns into all the community's posts of power, and operate like a principality.

The many small farms had formerly spawned myriads of jobs, paid top wages, and built thriving towns. I myself trucked melons to the freight cars in Kunishima Brothers' shed in Holtville in the twenties when wages were double the rate for common labor in the East. But now land monopoly and special privilege for the rich were strangling Holtville. El Centro, too, had felt the pinch. Merchants and businessmen were going broke in an oasis that yearly produced garden truck worth \$225 million. Doc felt sick as he counted the drop-outs: Thom McAn Shoe, S. H. Kress, F. W. Woolworth and others. He knew many friends and patients who could no longer find jobs. The farm rajahs, with hot lines to Sacramento, could flood the Valley with cheap Mexican labor with one urgent call.

This monopoly of land tainted every office. The county assessor-collector, according to Statewide Homeowner studies, was under-assessing big farm properties by 50 per cent to 75 per cent. Absentee landlords were draining away something like \$4 million yearly of taxes they owed the Valley and local taxpayers had to shoulder the added burden.

Big farm flunkies also ran the Irrigation District. Yellen made comparisons of Imperial water costs with those of other districts. Fresno City was paying the U.S. Bureau of Reclamation \$10 per acre foot. San Diego Water Authority paid the same rate to its supplier. Farmers around Los Angeles were paying \$11 to their distributor, while Metropolitan Water District paid no less than \$13. Imperial Valley's

monopolists were getting their water for a ridiculously low \$2.

"Who's getting it in the neck?" Doc asked. Valley homeowners, renters and businessmen, to be sure — for this same Imperial Irrigation District was also supplying consumer electricity to the whole Valley at prices painfully exorbitant. What the monopolist farmers willfully shrugged off, the much-robbed general public was being made to assume. The biggest landowning company, Yellen alleged, was escaping each year as much as \$378,000 in water fees. The Valley population of about 75,000 was paying on an average, an individual \$5 tribute to one company.

A War of Words

Scorning the risks, Doc battled this octopus wherever it raised a tentacle. He used mimeographed fight-talks as his weapons, naming names and evils, and his barbs stung. When farm moguls declared open war on him he fired heavier broadsides. He was arrested more times than he cares to count — once for a ten-day stretch.

The weak point in the barons' royal sway lay in a controversial ruling on a proviso of the federal irrigation laws. A farmer may enjoy U. S. subsidized water for up to 160 acres. Congress set this limit around the turn of the century.

The Imperial district claimed special exemption. Begun as a private enterprise, it had been flooded out and was able to resume distribution only with federal help. Imperial's water came via the All-American Canal. So did Coachella's, which obeyed the water limitation law. Imperial did not. In this desert, water hogging led to farm boss rule. How come? A Secretary of the Interior, in 1933, about to leave office, handed down the flimsy ruling. Interior's own solicitor ruled in 1945 that the water limitation did apply to the Imperial district. Justice

Department lawyers, arguing before the Supreme Court, declared in the same vein.

Yellen's method of attack was to pound out a damaging newsletter, run off a pack full of copies and stuff them into the parked cars on Brawley's streets. "Read and digest them," he urged, "then pass them on to friends." Other copies were mailed to officials in Sacramento and Washington, D.C. Stepping up his campaign, he ran for councilman. The farm bosses brought every political pressure against him, but he won. In the city chambers where machine politics and boredom had long prevailed the doctor teed off on land barons, and people listened.

Many a poor man would attempt to slip Doc a dollar, or five, or ten, but when Yellen, mindful of the income tax laws, told them he'd have to list their names, few felt they could afford to advertise their opposition to the landed interests. So Doc had to finance his own fight, though local voters gave him their secret ballot support.

While Brawley City Council opposed Yellen with ridicule, defeating

his every motion, he cornered officials in Washington and spoke his piece. When his complaint reached Senator Clinton Anderson, Chairman of the Senate Committee on Interior and Insular Affairs, the Senator dashed off a peremptory note to Stewart Udall, the stout conservationist, who buzzed Frank J. Barry, Interior's chief counsel. To the latter it looked like a clear case for applying the limitation provision of the federal irrigation law to Imperial Irrigation District.

On December 30, 1964 the Department of Interior reversed the old Wilbur ruling, and set the Valley on its ear. So Doctor Ben Yellen and his stout helpers had cut the nabobs down to size. A powerful monopoly that had run rough-shod over our fairest garden spot for thirty years was defeated by one determined citizen. We've had many Georgist heroes, all but forgotten now. Today we need fresh workers to dig out facts and write about them. Ours is the most encouraging campaign in America. Let's to it, then, with the vigor and dedication of a Dr. Ben Yellen.

"In the domain of agriculture, progress is more rapid if the peasant works for himself. For this reason the government has taken upon itself the task of making it as easy as possible for the peasant to gain access to ownership. This has been done without fanfare, without any great proclamations.

"To begin with, the uncultivated lands belonging to the great estates have been heavily taxed, while being given a time limit of five years in which the land was to be developed, under penalty of confiscation pure and simple. A novel system of recovery of lands from the large domains has been put into effect; it operates at Lake Alaotra and in Majunga, where the métayers of the Galland land-grant and of the Agricultural and Industrial Company of Madagascar will become owners. Land reform has been initiated; this is not spoken about, this is not well known."

The foregoing was taken from an article by Jacques Rabemananjara, Minister of Agriculture of the Malagasy Republic (formerly Madagascar), which appeared in *France-Amerique* on October 14th.

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An exhibit of painting by the Chilean artist, Haroldo Ramirez, has just closed at the New York Henry George School. Paintings and graphics by Irma Diaz of Mexico are now on exhibit until the end of January.

Stanley Bowmar



A LIFE-LONG single taxer, Stanley Bowmar, born in New Zealand in 1881 shortly after Henry George's *Progress and Poverty* burst on the world, reached the end of a worthy career on October 18th in New York State.

During the first fifteen years of his life in New Zealand a political debate raged between those who favored and those who opposed Henry George's ideas. It culminated in 1896 in a statute which gave the electors of every unit of local government the right to choose by majority vote whether the revenues to support local functions would be levied on the capital or annual value of real estate, or by a tax on the capital value of land exclusive of improvements. Mr. Bowmar was not eligible to vote until six years after this statute was passed, and he probably would not have known at what point he became, like many others, an advocate of Henry George's philosophy.

In his youth he developed a curiosity about the world and a desire for travel which took him eventually to England, the United States, China and Japan. He earned all his money by working variously in each country he visited. His mother had warned him never to let his reserve fund drop below ten pounds before looking for another job. On his first trip away from home, in England, he selected shorthand and typewriting as skills which would prove most useful — and his proficient court reporting sustained him well on several occasions.

On reaching the United States a motorcycle manufacturer offered him a free machine if he would ride it from Buffalo to San Francisco. There were then no transcontinental highways, in

fact in some areas west of the Mississippi highways of any kind were nonexistent. He completed this dangerous journey, having

written enroute a series of articles for a bicycle trade journal. These made him such a hero in the eyes of readers, that on reaching the West Coast he was given a commission on all motorcycles sold in certain California agencies, by arrangement with the manufacturer.

On a second voyage to England from New Zealand he met "by chance" a young art student from his home on the South Island, who later became Mrs. Bowmar. The passion for travel then shifted to more stable living, and his interest in Henry George found expression — especially on a meeting, also "by chance" with Joseph Fels, then living in England. At that time Mr. Fels was spending about \$250,000 a year of his personal income through the international Fels Fund Commission, in support of Henry George's tax method. Following this meeting the Bowmars were urged by Mr. Fels to move to Philadelphia, and there Mr. Bowmar served as stenographer for the FFC.

Some time later, Chicago was coming into the forefront as a center for single tax activity. The Public, a "weekly journal of opinion," was being edited there by Louis Freeland Post and his wife Alice Thacher Post. Mr. Bowmar went to Chicago under Mr. Fels' direction and came to know well such leaders in the movement as the Tideman family, Otto Cullman, John Z. White, Sidney Evans (now of San Diego), and others. After Mr. Post became Under-Secretary of Labor

in the Wilson administration, Mr. Bowmar continued *The Public* for a time as business manager. It had attained prominence and prestige but lost ground when Mr. Post resigned to take the post in Washington which he held for eight years.

After the sudden death of Mr. Fels the responsibility for the Fund fell on the shoulders of Mrs. Fels who brought together in New York all the activities started by her husband, and from that

time the Bowmar family has lived in the East.

During a long and successful business career there have been many who valued the friendship of the expatriate from New Zealand. "I used to think of Stanley Bowmar as our Abraham Lincoln," said one of his associates. "He was straight and tall . . . as honest as the day is long. The world has lost a really good soul in his passing."

—Philip H. Cornick



Your Part in the "Georgist Resurgence"

In a letter to friends and students of the Henry George School, President Joseph S. Thompson notes the growing effect of Georgist educational work. "We have numerous friends—more than we know—in education, government, business, journalism, the professions—exerting a steadily increasing influence."

Mr. Thompson appeals to School friends to help continue the vital work of education. "The work that has advanced this far," he writes, "will, with your help, advance still further—closer to realization."

Donors become members of the School, ranging from an annual contribution of \$1 for an Associate Member, to \$500 or more for a Patron. Have you sent your contribution?

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