

the Henry George News

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The Coming Revolution in Education

by GEOFFREY W. ESTY

WE hear much about education for excellence — education for competence. What do we mean by excellence and competence? Excellence in grades, in rote memory, in parroting "correct" answers? Do we mean competence in skills? What do we really mean by skills — skills in manipulating others in order to achieve personal advantage?

What are we going to do with the dropouts, the failures and the misfits? The clue, it seems to me, lies in the nature of the unique individual, and in the understanding and respect for his uniqueness. To the degree that this fact of nature is violated by the family, the school and the community, do we have to contend with the social and behavioral symptoms arising from such violations. There appears to be direct though complicated causal relations between injury to the integrity and worth of the unique individual and his reactive behavior.

Pouring more and more money into already faulty educational practices just produces more of the same—more dropouts and socially disturbed youngsters and delinquents. A revolution in education is imperative on an immense and national scale if society itself is to avoid self-destruction, and if the individual is to be spared the loss of his

freedom and dignity by a submergence into the arms of a paternalistic state.

If the student survives the educational process which seeks to train him or school him, he learns how to manipulate his teachers and others in order to acquire the necessary grades or extracurricular activities to become successful or to get into the college of his parents' choice. Those relatively few who were lucky enough to have experienced warm and caring relationships with a teacher while in high school — one who was supportive and encouraging rather than condemnatory — tend to want to become teachers themselves; while others are apt to think teaching is "for the birds."

It is apparent that this vicious cycle must be broken. We can no longer afford socially or economically to waste our children and our teenagers. Their increasing burden on society may cause our freedom to be seriously curtailed and corrupted.

Fortunately, despite the endless arguments about progressive education versus controlled education, overpermissiveness versus fundamental education, a climate for a revolution in education is forming. We are rediscovering that learning starts at birth; that what's learned is not always taught, and that

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A Word With You

SHAKESPEARE (now in his 401st year) has been proven to be or not to be many different things by many different scholars — an aristocrat, a commoner, an actor, another actor, another playwright, non-existent. So I shall add to the tempest and show that he was — why not? — a Georgist!

In "A Merchant of Venice," old Shylock understood the matter when he said, "You take my life when you do take the means whereby I live."

Cloten, in "Cymbeline," also knew the economics of monopoly when answering the Romans' demand for tribute: "Why should we pay tribute? If Caesar can hide the sun from us with a blanket, or put the moon in his pocket, we will pay him tribute for light: else, sir, no more tribute, pray you now."

In 1940, during the Battle of Britain, our hearts melted for the old country, and John of Gaunt's speech in "Richard II" was tripped off many a tongue: "...this blessed plot, this earth, this realm, this England..." If we read on, we'd find that

"...this dear, dear land...
Is now leased out (I die pronouncing it),
Like to a tenement, or pelting farm:
England, bound in with the triumphant sea,
Whose rocky shore beats back the envious
siege
Of watery Neptune, is now bound in with
shame,
With inky blots, and rotten parchment
bonds;
That England, that was wont to conquer
others,
Hath made a shameful conquest of itself."

Shakespeare well understood the value of the individual human being and placed that above all class distinctions. In "All's Well That Ends Well," the King muses:

"... Strange is it that our bloods,
Of color, weight, and heat, poured all
together,
Would quite confound distinction, yet
stand off
In differences so mighty."

In the tragedies, too, Shakespeare seems to be telling us that if only people were left free to express their natural selves, all would be as you like it.

Romeo's and Juliet's natural love for each other was doomed by the unnatural hatred of their families. Cordelia's simple affection for her father, King Lear, was the only sound note in a maelstrom of rage, lust and ambition. Hamlet was right to doubt and hesitate, according to his nature; the ghost of his father was wrong to press him to vengeance, which ended in a total shambles. Macbeth refused to let nature take its course; Othello was ruined by Iago's distorted envy.

Of course, if all these outrageous things didn't happen, we might not have a Shakespeare; and if we didn't have land monopoly, there wouldn't have been a Henry George. There then; how then, what then? I love and honor them. They have served their turn, we must serve ours.

— 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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Stock Selectivity for Savings

by LANCASTER M. GREENE

INFLATION in the United States has been gradual and, so far, controlled. The dollar has come down from 100 in buying power when I started in Wall Street in 1923 to about 23 cents today. Bond investment has shrunk from occupancy of a large section of the Exchange floor to a small room where trading is done from card files.

Stock investing has changed from a turnover of 112 per cent in 1929 to 14 per cent in 1964. The trading volume for 1963 and 1964 finally reached that of 1929, but only because the total shares listed rose from a billion shares in 1929 to 8 billion in 1963 and 9 billion in 1964. People hold shares because they hope the earnings (not paid as dividends but reinvested well) will bring rising dividends and market value, and also they dislike paying taxes on their gains.

Investing with able managements has demonstrated that the best defense against inflation is careful selection of shares in companies who can adjust despite government hindrances, and profit at good margins. Strength and character in company management are the hallmarks of leadership, and fortunately our country is still producing business leaders whose integrity remains unquestioned. This gives promise that 1965 will not let us down, even though it presents serious investment questions.

Year after year, even during the depression of 1929 to 1942, the cooperation and concentration of company managements, using their skill and high principles, has helped to keep our country afloat in very difficult conditions. General Motors did come down from \$80 in 1928 to \$7 in that depression, but it is now worth many times the 1929 high. Others too went through times of trial or setback and

then earned enough to multiply savings astronomically — for example, DuPont and IBM. Some of course, baffled by new problems, did not come back.

I am aware that I have repeated myself in these annual reports but I am encouraged to find that companies I considered exceptional continue to justify anticipation of continued growth. Only occasionally does a management change warrant our taking profits to invest in one whose progress seems more predictable.

The airlines constantly expand as more people enjoy jet travel initiated by Boeing. We recommended Boeing first at \$18 in 1948. Split six for one, this equals \$2.95 a share on the stock now selling at \$68. Dividends have gone from \$1 to \$12.20. We now look forward to what this management can achieve by 1967 and 1970. Boeing's world-wide dominance in airline equipment and technical superiority is not likely to be successfully challenged in the next decade or two. The largest U.S. carrier, United Airlines, has learned how to utilize the jets, as has Northwest Airlines. Further increases in travel and freight shipments will benefit these lines and also the principal equipment supplier, Boeing.

General Motors is still forging ahead in its many fields, especially in the production of motor cars. Thanks to its superior management it remains an attractive investment for high income and growth potential. Last year we recommended the sale of 100 shares of A.T.&T. to buy 200 shares of General Motors at \$60. Those who made the exchange have \$4.45 income for each share instead of \$2 — a substantial difference in ability to beat the decline in dollar value.

For many years we have commented on piggy-back freight loadings which

make the U.S. Freight Company a gradually progressing firm. Their driving force in forwarding freight, by trailer on flat cars and containers on the ocean, has continued unabated.

Also for a long time I have stressed the advances made by the Cincinnati Milling Company, developers of "tools to make all other tools." The case for a single line appliance maker is superbly upheld by the management of Maytag, noted for washing machines and dryers. Its competitors wish they could equal Maytag's favorable earnings on the volume they sell. Capital goods investment is growing, and the manufacture of machine tools continues to produce new and better numerical controls for cutting and forming metal and zinc. Cincinnati Milling is one of two leaders in this automation by electronics. The other, General Electric, famous for its appliances and heavy utility equipment, continues to distinguish itself.

The patience and fortitude to turn a "tail-end Charlie" into a top competitor are sometimes hidden for a time—but to discover the upturn and anticipate it is part of the reward enjoyed by the vast partnership of common stock holders. Although it was only fourth in tire production a few years ago, U.S. Rubber is one of those emerging companies that is showing a vigorous growth in chemical business. Under brilliant management, this huge complex has undergone discipline for four years and the improvement is already evident.

The National Distillers' chairman is another outstanding executive who has been striving to build his firm into a great chemical and metals company for a frustrating twelve years. The metals division made remarkable progress last year and when "all its

ducks are in a row" this concern may justify its striving for growth.

What factors are important in selecting stock for investment? Evidence of a long record of dividend payments and listing on the New York Stock Exchange are essential. For maximum safety the investor should further verify his judgment by having a professional counselor appraise the company's growth. When these conditions have been thoroughly satisfied, those who saved enough money for investment in the face of the discouraging tax forecast of 1965, should find shareholding risks less than those of holding cash.

Because of inflation many have looked with interest to gold stocks. But the only time in a century when these shares could be held profitably for more than one change in the price of gold was during the period after 1929 when the wages of miners declined for years. Then in 1933 gold was increased in price from \$20 to \$35 an ounce by the New Deal, on the mistaken theory that this would solve all problems. It didn't even raise the price level—it only set the stage for inflation much later.

Let us take heart from the fact that although the nation's economy has been interfered with repeatedly, often threatening to collapse, some managements have shown the ingenuity to grow. Our traditional freedom encourages scientific research and new inventions result in new employment possibilities. There is a great need for social and spiritual leaders whose philosophies of freedom have a sound economic base in the necessary reform of tax reduction. And the most important reform of all is land value taxation, because it offers the greatest stimulus to development for all people in every branch of industry.

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Organization is the ability to bring all available knowledge and all available energy to bear upon particular problems in hand at the precise time when needed.
— Herbert Spencer

The Lengthened Shadows

THE importance of Australia and New Zealand in the annals of Georgism is rich and unique — both in the distinguished leaders it has known and in the persistent efforts to bring the awareness of LVT's advantages to the understanding of all.

A recent letter from Allan R. Hutchinson of Victoria (South Australia) reports "a most important victory in the success of a referendum of rate payers in South Melbourne on a proposal to cease local taxation of buildings and transfer it to the value of the site alone." In a poll taken on November 7th the vote was 10,949 for and 6,506 against.

A local land values research group distributed material showing "How Site Value Rating Would Affect South Melbourne." A colored map indicated which areas would carry lower rates, which would remain the same, and which would be higher under the unimproved value (LVT or site value basis). Almost all the residential areas were in the first group and this had great influence on the favorable result.

If we take a long step backward in time we will see that it has taken nearly a century for this to mature. Perhaps then we will realize that the mills do indeed grind slowly, and one should not be discouraged if achievement is delayed.

A. G. HUIE

We have a new HGN generation who missed reading about the tremendous influence of A. G. Huie who died in November at the venerable age of 95. He was called a most indefatigable letter writer and leader of forlorn hopes, but his letters were not forlorn. His views were clearly expressed with agreeable objectivity. Straightforward logic and courtesy made his defense wear well — there was nothing about his manner to cause people to turn

away as from a subject that had begun to pall.

He was a farm boy who had very little schooling, but in 1890 he read *Progress and Poverty* (an education in itself!) and was instantly impressed. When he went to Sydney to work he joined a debating club. Other celebrated Georgists, too, can trace their convictions to preparation for debates, a form of sparkling entertainment which we would do well to revive. In 1901 Mr. Huie was invited to help form a movement by acting as secretary pro tem. That became his life work and he labored untiringly for 52 years in the Georgist cause. His salary was low and sometimes nil when funds were low. In 1905 he became the first editor of the *Standard*, now known as Australia's Georgist voice. In 1916 he was honored with a citizen's banquet presided over by the Lord Mayor of Sydney where the one-time farm boy was warmly celebrated for strenuous efforts in door to door canvassing in the interests of LVT, this method of taxation having been made possible in 1906.

NEW ZEALAND

If we step over to nearby New Zealand we encounter Georgian history in the form of a recently published account of reminiscences by the Honorable Sir George Fowlds, a Scotsman who died in 1934 after a distinguished life on three continents — Great Britain, Africa and New Zealand. He dedicated his talents to the service of all the disinherited.

George Grey was another of the great Sirs of that period whose name is revered not only among Georgists but written large in history. Sir George Fowlds wrote of this older friend as "the greatest servant of the Crown during the Victorian era and one of the greatest empire builders. His first

governorship of South Australia laid the foundations that helped it to stand out through all the intervening years as one of the best governed states of Australia, while his two governorships of New Zealand, in its most difficult years, have been a great factor in its development. The failure to accept Sir George Grey's advice, and the departure from the principles which he advocated has, in practically every case, been unfortunate for the Dominion.

"Grey realized that free land meant free men, and that low priced land easily available to working men meant high wages and a prosperous people. Much of the best land in New Zealand had been parted with in large estates, and the late comers had to go on poor land or into the backblocks. Grey could see the lands of the large landowners growing rapidly in value, apart from any expenditure of labor or capital on their part. Every increase of virile population and all the public expenditures were tending to make these landowners rich, while the landless newcomers had to pay twice over for the value of public utilities, once to the landowners in the form of rent, and again to the state in the form of taxation through customs for the payment of interest on the loans which had created the land values.

"For many years Sir George Grey kept urging the governments and people to adopt the taxation of the 'unearned increment' in land values, in order to overcome the social injustice. In 1878 a bill was passed for the levying of a tax of $\frac{1}{2}$ d. in the pound on all land values held by any person beyond the value of £500. This was nearly two years before Henry George wrote his epoch-making book, *Progress and Poverty*.

"At that time there was a very restricted franchise in New Zealand with lawmaking mainly in the hands of the large landholders, who could vote in as many electorates as they held property in. Great opposition was offered by these landholders to the Grey government measure, and it was defeated. The seed had been sown, however, and in 1891 the land tax act imposed one penny in the pound on all values beyond £500 with an additional graduated tax.

"The effect of this change in the incidence of taxation in New Zealand was remarkable. In the seven years preceding imposition of the tax in March, 1891, the Colony lost in the balance of migration 19,939 people and in the seven years following it gained 25,438. Prosperity and a much improved distribution of the products of land, labor and capital, continued for more than 20 years, up to the advent of the war (1914-18) when the abnormal prices paid for wool, butter and cheese caused a boom in land values, which submerged for a time the good effects of the land tax and left the country in the same depression and acute distress which prevailed in every land where the private appropriation of land values is permitted."

We are indebted to George M. Fowlds of Auckland, son of the late Sir George, for some of these insights into past lives, which can be fairly appreciated only now in retrospect. The records of achievement from across the seas are a never-ending challenge. American Georgists, too, owe much to their pioneers, especially to Henry George and his contemporaries. But a new day is dawning with thoughtful, new leaders, and honor, though it may be dimmed, is not dead.

First a thought, then a wish, then a faith, next a struggle, at last a fact. So have entered into human life and history some of its profoundest truths. Such has been and is to be the story of universal peace.

— Justice Brewer

Pleas For a Practical Term

SEVERAL Australian readers have for some time been advocating use of the term "annual rental value" in preference to economic rent of land in both Georgist periodicals on that continent: *The Standard* (Sydney) and *Progress* (Melbourne). Peter Middleton and Bernard Donohue, the two delegates from Sydney, argued the case dramatically at the recent international conference of Henry Georgists in New York.

Kenneth N. Grigg and W. H. Pitt of Melbourne have expressed their views as follows: concurring with those of Harold Inglis published in the November HGN (p. 13).

Mr. Grigg protests: "Where George ought to have brought his guns to bear was on *private* equity in rental values. He should have waxed polemic over land price, the private capitalization on land rentals which occurs when these are not publicly utilized. In order to be regarded seriously as an economist he should have regarded *rent* as socially inevitable and *rental value* as socially desirable.

Mr. Pitt makes the point that: "Economic rent is a term properly used in the theoretical analysis of economics. At the economic margin demand makes direct contact with supply, but the great bulk of production must come from superior locations which offer an economy of effort not possible at marginal locations. The vast bulk of goods therefore brings prices in excess of their cost, which vary according to the economic advantages of the site.

"It is this excess of price over cost which is economic rent, i.e., that part

of production which in distributive economics is denoted as the return for land. However it is never other than a purely theoretic proportion or allocation, and there could never be exact analysis, on a cash basis, as to how much of the price of any specific article would be in respect of rent.

"In the science of government where theory moves into practice the apt and correct term would seem to be the annual value of land. Annual relates to an accepted period for accounting. Value indicates that it is an estimation or evaluation. Land keeps the idea from being mixed with individually earned wages which are set by the return available to labor at the economic margin. The complete term excludes all thought of land value in the sense of land price — the capitalization which occurs when the annual value of land (instead of being a source for public revenue) is treated as a source for private enrichment. It also eliminates the need for such negative and inaccurate words as "unearned" which are occasionally used in discussions on the subject."

The Georgist reformer is an idealist and yet a practical man whose ideals should rest on a clear perception of the facts expressed in clear terms, Mr. Pitt explains. Two statements link the logic of the economist with the ardor of the reformer: the annual value of land is the proper source for public revenue at all levels of government, and, the price of land is your enemy. These, he says, may serve as weapons that Georgists have long been seeking.

Victor H. Blundell, editor of *Land & Liberty*, London's Georgist publication, was quoted in the *Sunday Mercury* (Birmingham, England) regarding his firm belief in the principle of land value taxation as the answer to the high land prices that were a major election issue. Reprints of this article have been sent to HGS members, and are available on request.

A Man With a Will and an Idea

A YEAR ago at the Henry George Conference in Toronto, Benjamin F. Smith of Grand Rapids, a consulting engineer, presented a graphic plan for realistic assessment methods. He gave a statistical formula for showing the relationship between population density and land values in a 24-block area which he studied in Grand Rapids. He claims his city is losing \$3,000,000 a year in legal tax revenue since slum land is assessed at 1/15 of its market value and 1/5 of the standard rate.

In September 1964, he presented his carefully detailed plan to the Chamber of Commerce Civic Affairs Committee in his home city, and brought impressive evidence to bear on his method and principles by citing the experience of other cities.

Mr. Smith recently conducted a "one-man survey" of urban and rural slum properties in the East as part of

a vacation. In New Jersey he was accompanied by John T. Tetley, director of the Henry George School, Newark. The impression gained by Mr. Tetley was that the proposal to tax land and remove taxes from improvements was readily grasped and appreciated. However, while he was in New York Mr. Smith spoke to the Tax Assessor and the President of the Tax Commission. Both opposed his findings and could not grasp the principle of economic rent.

Anyone who would like to join Mr. Smith in a quest for information on rural slum rental property is cordially invited to do so. He can give simple instructions for interviewing which are easy to follow. This could prove very helpful to the progress of the movement and personally satisfying as well. Write to him at 1801 Breton Road, S.E., Grand Rapids, Michigan.

The tax-exempt Ford Foundation gave a grant to the tax-exempt Brookings Institution to make a study and evaluation of the federal income tax. To the general surprise of nobody in particular, Brookings issued a clean bill of health to the income tax. It's a very good thing, we are assured, based on the "sound" principle of "ability to pay," and helping to redistribute the wealth. Brookings admits, however, that some "reforms" are needed to make the income tax work even better. The fly in the ointment, Brookings naively laments, is that special interests always manage to keep these reforms from being adopted.

HGN readers will recall that House & Home, under its new management, published a special Land number in September, 1964. While presenting forcefully the problems of the high price of land and rightly urging better assessment of land for taxation, H&H unfortunately dismissed the land value tax (with exemption of improvements) as a remedy. Their position was ably rebutted by the former editor and publisher, Perry Prentice (see December HGN). In its December issue, House & Home urges a federal cabinet post for housing. Admitting that "few would favor a stronger federal role in urban policy if there were some other way of solving our urban problems," H&H adds that "the forces of economic growth and shifting populations are already well beyond local control." In rejecting the single tax—which *would* strengthen communities and help restore local control—H&H evidently can do no better than join the swelling chorus of voices demanding more federal control over our unsolved economic problems.

Sydney Mayers

VIEWS THE NEWS

Sending potatoes to Wisconsin might appear as unlikely as shipping "coal to Newcastle," yet bushels of Maine spuds are in fact being bought in the heart of the Midwest farm belt. However, the reason is not hard to find — thanks to a bumper crop, Maine is able to sell its tubers in Wisconsin more cheaply than Wisconsinians can buy the locally grown product this year.

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After months of bitter wrangling, threats, demands and capitulations, the six member nations of the Common Market finally reached an accord on farm prices and policies — an accord made possible by Germany's acceptance of a lower price for its wheat, based on revised subsidy payments to German farmers. This is certainly a far cry from the "free trade" the Common Market was supposedly formed to practice.

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The Board of Supervisors of Suffolk County (N.Y.) is negotiating the proposed purchase from private owners of 588 acres of land, to be used for public park purposes, at an estimated cost of \$750,000. How kind of the Suffolk taxpayers to dig into their pockets to pay for land values they have themselves created!

* * * * *

To walk along Sixth Avenue these days is to marvel at the newly-erected skyscrapers which are beginning to make the "Avenue of the Americas" one of New York's most magnificent thoroughfares. It is rather sad to realize that the City rewards those who build these towering edifices by imposing towering taxation upon them.

Then there is the reverse of the situation — the lovely 18th and 19th Century frame dwellings which here and there dot the streets of Gotham, reminding Manhattan of its past. Can it be that these picturesque old wooden houses remain as they were, not because of their charm or historic interest, but because to replace them with modern structures would bring severe penalties in the form of whopping municipal taxes on the improvements?

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A front-page item in The New York Times reports that although the suburbs of the Metropolis include some of the wealthiest areas in the country, these affluent communities are quite alarmed at the increasing incidence of poverty in their midst, which is evidenced by steadily mounting numbers of welfare recipients. Come now, dear New York Times, this is not news — eighty-five years ago Henry George not only revealed that Poverty exists in the midst of Plenty, but he also pointed out *Why!*

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A "re-assessment" of New York City's crash campaign, designed to find jobs for thousands of unemployed workers, discloses that despite dozens of programs started by public and private agencies, only a tiny percentage of the applicants have been placed, mostly in temporary, menial or dead-end positions. Someone should tell the city fathers that all labor needs to produce wealth is *land*, but labor cannot get access to land when it is held out of use by speculative private land holding, protected by archaic tax laws.

A Farewell to Marx?

by SYDNEY MAYERS

ALTHOUGH the circumstances surrounding the sudden ouster of Nikita Khrushchev as chief executive of the Soviet Union remain somewhat mysterious, one aspect of the event has become quite clear. Whatever may have been the back-stage machinations which culminated in the portly shoe-pounder's retirement, it is evident that the area of discontent among the USSR's hierarchy was economic, and not merely political.

Khrushchev's successors have acted quietly, but with remarkable rapidity. Within weeks, what had been basic Soviet policies were abandoned, and new economic measures adopted. Whereas the ex-Premier's policy was to revitalize segments of the economy in turn, one by one, the Kosygin-Breshnev regime put into effect efforts to bolster the entire Soviet economy at the same time. But of greater interest are proposals that have caused many a raised eyebrow: higher wages to workers, bigger returns to farmers, lower prices for consumers; more attention to world markets and to the needs of Soviet citizens!

It may or may not be pure coincidence that the recent political changes in the USSR happen to coincide with the emergence of a new breed of Soviet economists. These are younger, less "conservative" men, whose realistic approach to economic problems is "radical" by Bolshevik standards, and whose recommendations cannot be found in the pages of *Das Kapital*.

Already it has been proposed that production be based on a profit incentive system, replacing the old method

of centralized planning — and this proposal has received surprisingly sympathetic reaction. Now we learn that the Soviet government, in order to reduce excessive stocks of consumer goods (most of it outdated and of poor quality), is opening discount stores, where cut-prices will aim at increased retail buying.

In addition, we are informed that the cooperative housing program has been greatly revised, so that it will offer better apartment designs, more suitable plots, higher quality construction and easier payment terms. Generally, the current policy seems to be to produce on the basis of consumer demand, rather than on that of arbitrary planning at lofty echelons, far removed from the market-place.

The swing away from orthodox Marxist state-planning is pretty obvious. Some observers believe this indicates a "turn to the right," which is probably wishful (and rather wistful) thinking. Soviet spokesmen scoff contemptuously at any hint that the USSR is drifting toward capitalism. But there is no doubt that, as has happened in the past, the Soviets do not hesitate to employ "capitalistic" methods to rescue communism when it faces serious economic difficulties.

"Free enterprise" as we know it is, of course, only relatively "free" — but even a little freedom goes a long way. If the Soviet Union is learning this fundamental economic lesson, it may be a good sign. Perhaps in time the whole world will learn the facts of economic life, and take the Georgist road to a truly free economy.

I know of no safe depository of the ultimate powers of society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion by education. — Thomas Jefferson

Noah D. Alper's Brief Cases

ACHILLES HEEL

U.S. News & World Report quotes the President as saying that "in the remainder of this century urban populations will double, city lands will double, and we will have to build homes, highways and facilities equal to all those built since the country was settled." And then what? Taxes will be shifted relatively from land to labor and capital owners and, proportionally, reduced on land, and land prices will be tripled, quadrupled and more. Here is the "Achilles heel" of the "great society."

WHAT GIVES VALUE TO LAND?

According to an item in Newsweek, "Pope Paul VI has innocently caused a ruckus in Moslem Jordan. Ever since the Pontiff's visit here, rumors have flown that he plans to establish a residence in the Holy City. The result has been a wave of land speculation. It has reached such proportions that the Grand Mufti of Jordan now has issued a religious decree forbidding sales in Jerusalem to foreigners. (The Vatican categorically denies any such intention by the Pope.)"

GETTING IT ALL WAYS

The St. Louis Review, official newspaper of the Archdiocese of St. Louis, makes this lucid comment on a prosaic subject: "Because state real estate laws aim at taxing buildings, not land, it often pays a slumlord to allow his buildings to deteriorate. If he fixes the building up, his tax will rise. If he lets it deteriorate the tax will fall, but the income produced by the property will not necessarily fall and in most cases will rise. Profits on slum real estate have been estimated to range from 20 to 35 per cent a year.

"In addition to this, slumlords are allowed to depreciate their property frequently to a figure far more than the original value of the building. When it is finally depreciated fully, he can start the whole cycle over again by trading property with another slumlord, thereby putting off for a time paying the capital gains tax."

TWO-WAY PUNCH ON BLIGHT ERADICATION

Henry George Marches On! Under this headline a recent editorial in the St. Petersburg (Fla.) Times recalled that 85 years ago Henry George in his famous book *Progress and Poverty* advocated that governments tax land only, not buildings or other improvements on the land, on the theory that resulting higher taxes on land values "would force landowners to put their land to the highest possible use. The simplest example is that owners of slum properties would have to build high-yield improvements." The Labor Newspaper reporting on this added, "thus slums would be cleared up and large numbers of jobs would be created in the home building industry."

An article in the Salt Lake (Utah) Tribune pointed out similarly that a new freeway had raised the value of land on abutting slums. As a result, many slum owners do little or nothing to maintain the structures, and homes are often boarded up and abandoned. An article in the Nation's Business, the magazine of the U.S. Chamber of Commerce, is also referred to and quotes Mayor Louis Welch of Houston, Texas as defending a high tax on slums so as to make it "too costly for their owners to keep them that way." Said the Mayor, "despite screams of opposition from the slumlords, we're appraising the land at its highest and best use, so we'll make the slums unprofitable."

Revolution in Education

(Continued from page 1)

what's taught is not always learned. We are finding that it is not only what the teacher knows which is of such paramount importance, but what the teacher *is*.

In teacher and parent education, increased emphasis will be placed on the importance of enriching experience and on the idea of preciousness of children. Teachers will know and observe how some children have to live and cope with a variety of handicapping environments. They will come to understand that children need to feel an adult's considerate regard or respect for their uniqueness, even though their behavior may not necessarily be approved. Teachers and parents alike will learn that children need to experience success and achievement rather than repeated failure in order to safeguard their self and their worth.

Teachers must do less teaching by talking. They must promote more critical thinking rather than complacent acceptance, more skepticism rather than cynicism. They will learn how to motivate and involve children with a sense of inquiry and the excitement of personal discovery, rather than just telling them. In such ways students will learn that true scholarship is an awareness of relatedness of knowledge and understanding of common basic underlying principles involved.

How are these things to be achieved? What are some of the emerging devices in the education revolution?

Curriculum content and approach will begin with the social-economic and cultural needs. Learning groups will be flexible rather than rigid, heterogeneous rather than homogeneous. Categorization of children will be held to a minimum, for each child possesses varying capacities, some requiring encouragement, others strengthening.

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Grade levels will be grouped together, and groups kept numerically small to permit optimum individual participation. Report cards and marks will either be staggered or eliminated in favor of individually discussed evaluations.

If larger tax funds are to be invested in education, let them be used in safeguarding the sanctity and dignity of the individual. When and to the degree that this is achieved, manipulation and exploitation of man by man will be gradually replaced by mutual concern and responsibility. Apathy will be replaced by compassion; injustice by justice.

As young people begin to think more clearly and evaluate social problems more critically, they will more readily come to appreciate the injustices of the underlying system of monopoly privilege in land, and its relationship to poverty and the formation and continuation of slums. They will be more analytical and more willing to shed doctrinaire myths when they stand in the way of observable facts. They will be able to detect and disarm the many frauds which tend to enslave them and rob them of their health and their substance.

I anticipate the emergence of progressively more informed generations of students who will care about what is happening to individuals over the world, because they will have experienced relationships with adults who have respected them.

Rousseau once said: "Man is born free, but is everywhere in chains." Why? Education is finding the answers.

Little Man Says: Tax Him, Not Me!

by HARRY GUNNISON BROWN

DEFENDERS of free private enterprise should be the first to support land value taxation, for this reform is consistent with the principles of incentive to which they give lip service. It is also more advantageous to labor than any other tax policy can possibly be.

A man who has no income from property but who supports himself and his family by what he earns at his job, may feel that the ideal tax would be one bearing heavily on the very rich and very lightly, or not at all, on him. The truth is that even if he owns his home instead of renting it, land value taxation would prove more beneficial to him than the sharply graduated income tax from which he might hope to be exempt.

Why? It would break the log jam of speculative land holding, and by making building sites cheaper it would lower the cost of rental housing as well as the cost of buying or building a home; and it would no longer reward slum owners for allowing buildings to deteriorate. Industrialists would be encouraged to build, expand and modernize plants if they were not penalized by higher taxes for doing so. Thus labor would be better equipped and could produce more and earn more. A progressive income tax with substantial exemptions cannot, in addition to lowering the cost of living, minimize slums or increase the worker's wages, but LVT can initiate all four of these advantages.

Our present local tax system breeds slums for it says to the slum owner, who may really want to make his dwellings more fit to live in, "don't do it, because if you do our assessment and taxing officials will punish you with higher taxes. But if you let

your properties become still more slum-like and less fit to live in, they will reduce your taxes." Here the federal government in effect bribes cities and citizens to continue a bad policy by extracting taxes to pay for clearing slums recurrently.

Governor Romney of Michigan, speaking of "Shrinking States Rights," said, "federal programs for local governments, that bypass state governments and make local governments increasingly dependent on federal funds and subservient to federal officials... weaken and destroy self government, individual responsibility and self reliance. They are financed by what has become excessive federal taxation rebated in part to state and local governments as subsidies."

The cost of private enterprise housing is obviously greater because of the scarcity of available land resulting from the speculative holding out of use in cities of nearly thirteen million vacant lots. Since housing becomes more expensive because of these speculative holdings, efforts are made to subsidize, and in a large degree, socialize it, instead of relying on free private enterprise. Without subsidization a high price on land decreases the amount purchased for housing. Under private enterprise, however, people are not forced to buy — they may economize by using less space, but the element of choice remains.

When government subsidizes housing the purchase of land is no longer on a voluntary basis. Instead individuals are compelled to pay, in extra taxation, the vast sums needed to purchase land. So the citizens as taxpayers are now compelled to buy land, however excessive the speculative prices may have become. his tax-compulsion sys-

tem must certainly stiffen the resistance of land speculators against reducing their prices. In fact they will most likely advance them to a still higher level should Congress provide, as the President has suggested, federal grants and loans to local governments and even to private developers, so that future expansion "won't be carried out ... in a sprawling, space consuming, unplanned and uneconomic way."

If neither the Congress nor the state and local governments will change in these respects, and to date they give little evidence of it, the domination of our local governments by the federal government, and the declining influence of state governments, are precisely what we shall have.

In Australasia, where the local tax system in some states and parts of states gives full incentive for building and takes away the "incentive" to retard building (through holding land speculatively out of use), there is far more building than in those states which follow the system almost universally in effect here. Why has the statistical data on this been ignored? And why have the leaders of our political opposition consistently, and it seems persistently, failed to attack administration policy where it has been (1) logically most vulnerable, (2) morally wrong, (3) injurious to those who have only their labor, and (4) inconsistent with the principles of incentive most favorable to private enterprise?

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"Land Tenure and Taxation" High School Essay Contest

Noah D. Alper, the man who, according to the St. Louis Globe-Democrat, is "conducting a personal war against poverty," is president of the Public Revenue Education Council. In its annual report (available on request from Mr. Alper, 705 Olive Street, St. Louis, Mo. 63101), we read of a high school contest at Corning Painted Post West High School, of Painted Post, New York. The PREC is eager and prompt in sending its material to students and teachers in schools and colleges, and a sizeable volume is constantly in circulation. In the above case, students of the history class were writing on "Land Tenure and Taxation in World History," and wanted three of the PREC tax booklets. On learning this the Council offered prizes for the three best essays and Cheryl Scudder won the top prize of \$25. Miss V. G. Peterson, Executive Secretary of the Robert Schalkenbach Foundation, New York, and Dr. and Mrs. Harry G. Brown of Meadville, Penn-

sylvania were the judges and made the presentation before the high school class.

The winning essay is decidedly above the average for high school contests, and if all 37 students writing on this subject wrote as convincingly of the Henry George philosophy, it is hard to see how they could ever quite forget the principle of LVT and its effectiveness. Miss Scudder was adept in converting thoughts from a long list of sources into a cohesive and understandable sequence. She does not merely copy well-documented quotations, but connects them in a way that makes them clear and convincing. We hope this is the beginning of a long heartfelt interest in Henry George by Cheryl, who concludes that "of all the solutions to the land problem, the best and most sound still appears to be the land value taxation system," and if it "were to become the national method of taxation, our country would be rid of many problems which it now faces."

The Henry George School in the News

ST. LOUIS celebrated its 25th anniversary and its fall term graduation at a dinner meeting on November 30th, at which time Noah D. Alper, the retiring director, presented his successor, Lora D. Swofford. Mr. Alper will continue in various volunteer teaching and speaking activities and will keep busy with the Public Revenue Education Council, of which he is president. Mr. Alper founded the St. Louis extension 25 years ago. Dr. Robert V. Andelson, formerly the extension director at San Diego, now professor of Political Science at Northwestern State College, Natchitoches, Louisiana, was the principal speaker.

SAN DIEGO has sold Henry George House, its former headquarters, and is now located in a building at 3627 Thirtieth Street. A retail book store operated by Roy Davidson is being opened in the front part of the building. This shop will be independent of the school but will feature Georgist literature.

LOS ANGELES enters the new year with The Group, composed of the school's alumni, concocting fun and surprises along with plans for 1965 activities, on January 8th at headquarters. The winter term begins on January 18th.

A six-hour session was held at the school in December with discussion of "New Vistas of Freedom," by the Preform group of libertarians. Henry George graduates were invited.

DETROIT students, at their fall term completion meeting, heard "The War on Poverty" discussed by Robert Roselle. The winter term to begin in January, will be composed of seven classes in Fundamental Economics in and near Detroit.

MIAMI Director Raymond Abrams is organizing two classes; and Washington, D.C. has one with Director Lee Bottens in charge.

NEW JERSEY looks forward to 1965 as its 30th anniversary year, initiated already with a dinner dance on December 7th at Summit. The basic course is being conducted at the Bell Telephone Laboratories on Thursdays from 5:15 to 7:15 by John T. Tetley. This came about as a result of questionnaires recently sent to graduates. Arrangements may be made to hold a similar "Tax and Economics Seminar" in other plants.

NEW YORK will start advanced classes on January 11th and basic classes January 18th — both will be offered in Spanish as well as English, with Spanish the only foreign language being included this term. Among advanced courses are: Labor in the U.S., taught by Morris D. Forkosch, professor at Brooklyn Law School; Dynamic Psychology, by James Murphy; Practical Writing by Sydney Mayers; History of Economic Thought by Joseph Jespersen; and the Philosophy of the Kabbalah by David Greenfield. Regional classes will be found in Jackson Heights, East Meadow (Long Island), Brooklyn, also in Greenwich Village, Washington Heights and Harlem (Manhattan) and Yonkers, New York; and in Fairlawn, New Jersey.

Fridays at Eight at headquarters will feature Lancaster M. Greene on January 8th with "Investing for 1965," and on January 22nd, Edmund A. Opitz of the Foundation for Economic Education speaks on "Political Power and its Containment." Films on January 15th and 29th include a variety of subjects, especially art and music.

"Basic Income for Everyone"

Mr. Thompson's proposal of a basic income for everyone, as laid down in the September HGN, resting on the idea that we are all stockholders in the land of our birth, is quite in line with natural law. It is Georgism in essence and deserves attention and study.

The doubt expressed in the September-October issue of *Land & Liberty*, (page 134, Conference Report) as to the possibility of paying all legitimate government expenses by taxing land values only, can be refuted by the consideration that if the other imposts were abolished the single tax on land values could yield more than the present multitude of taxes, for not only would it cost less to collect, but owing to the fact that it would be perfectly adapted to the given opportunities of work and enterprise it would secure a maximum of national production, i.e. of private and public income. It would also draw a clear dividing line between the two which it would be both unlawful and unwise to transgress. Government expenses beyond the proceeds of land value taxation would then not be considered "legitimate."

The way in which this maximum of public income should be used would of course have to be fixed by the democratic organs of the community, but it is quite conceivable that after providing for the necessary and desirable social needs any surplus could be paid out to citizens. A model of this kind is to be found in certain old villages in Germany where the land was common

property leased out to the peasants. The receipts of the lease — after the expenses of the municipality had been deducted — were distributed among the members of the community. The fear that such a system would create a rent mentality and prevent people from working is not justified, for if the spirit of enterprise would cease there would be no demand for land and no rent, nor profits or wages either.

However, Mr. Thompson's principle that we are all stockholders in the land of our birth needs extension in so far as we are all stockholders in the whole of the earth. This implies of course free migration — not only free trade — to secure the right of free and equal competition for any man in any country all over the world. States which infringe this principle by immigration laws should have to compensate the rest of mankind by adequate payments to a universal administration, for instance the United Nations. It is quite as unjust for a single nation to exclusively enjoy the resources or advantages of a country as it is for a private landholder to appropriate the rent of his territory without indemnifying his community. The equal title to the land and to the natural resources of the earth is not only a civic but a human right. It has so far not been laid down in the charter of the United Nations but the time will come, soon, when it will be recognized as one of the conditions of permanent peace.

— Philipp Knab

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