

Henry George News

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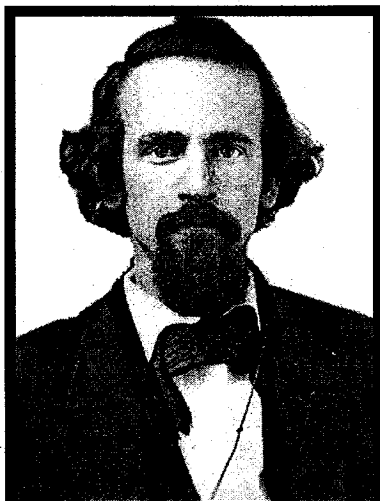
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JUSTICE AND PROSPERITY THROUGH ECONOMIC EDUCATION

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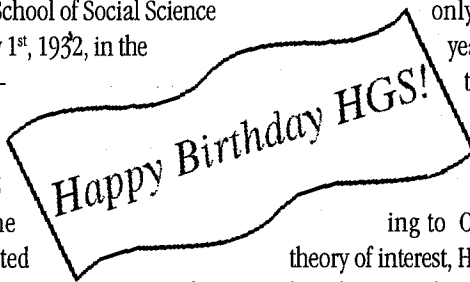
HENRY GEORGE SCHOOL 70th ANNIVERSARY!

David Domke

The Henry George School of Social Science was founded on January 1st, 1932, in the depths of the Great Depression by Oscar Geiger, a business man and scholar. On April 15 of that same year, the School was incorporated with a Board of Trustees and the famous American philosopher John Dewey was asked to be Honorary President, a post he accepted and held for twenty years, until his death.

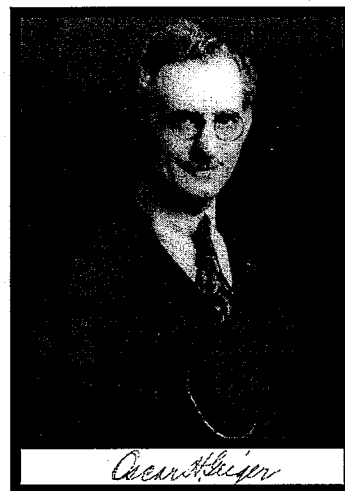
Later in 1932, the School was granted a provisional charter by the Board of Regents of the State of New York. That charter was made absolute within five years, the normal waiting period, after the School had fulfilled all the expectations required of a chartered school.

By all accounts, Oscar Geiger was an extraordinary individual. An avid reader in his youth (he was born in 1873), Geiger devoured every book on philosophy and science he could get his hands on. One day, the Geiger family physician handed young Oscar a copy of *Progress and Poverty*. Oscar, who by that time was reading liberal and radical social reform literature, seeking, he later recounted, an answer to the problem of human suffering, was persuaded after the first reading. He became a Georgist. Shortly thereafter, in 1896, he sought out and met the author himself and worked on George's 1897 mayoral campaign. Though he



only knew George for one year, he later recalled that the year before George's death "was the happiest year of my life."

Once, after listening to Oscar expound a Georgist theory of interest, Henry George himself was heard to remark, "here is the future economist of our movement." It was also during that year that Oscar founded his first Georgist educational institution, the "Progress Club."



Oscar entered the fur business, at which he made a decent living until the onset of the Depression in 1930. Forced into unemployment, he and his family lived on his savings. He managed to pick up some money from lecturing on Henry George and social philosophy.

Former School Director Bob Clancy, in his biographical study of Oscar Geiger, *A Seed Was Sown*, recounts that while he was out of a job, Oscar's "thoughts turned to the problem of propagating the Georgist philosophy, and he was [already] devoting a considerable time to it."

Bob further wrote that the idea of a school of Georgist philosophy was one Oscar had since he participated in the Progress Club. "For years the idea of an educational institute

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George vs. George

Jack Schwartzman

As many of you know, Jack passed away last November 30. We are reprinting this article which first appeared in the journal Fragments, of which he was Editor-in Chief.

In Hans Christian Andersen's immortal classic, "The Ugly Duckling," a young swan (in the ignorance of his swanhood) attempts desperately to be a worthy duckling (which he fancies himself to be). As a duckling, he is an abysmal failure; he is the worst of the plebeian lot; only when he discovers himself to be an aristocratic swan does he live up to his potential and his heritage; only then does he receive the ovation and the adulation due to him. He has recognized himself to be what he is.

One swan who frenziedly strove to be a duckling was Henry George. After achieving unparalleled fame as the author of *Progress and Poverty*, he became enchanted with the transitory glitter of politics. His heart was ablaze with the desire to do something to alleviate the suffering of mankind. He leaped with both feet into the political arena, and remained there until the very day of his death.

As a theorist, economist, and stylist, George was among the fixed and permanent stars in the constellations of influence. As a mere politician, he was a comet that brightly whizzed across the darkened sky, and vanished in the obscurity of forbidding blackness.

The greatest mistake made by Henry George

Henry George News

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was to sacrifice his fiery and dynamic genius at the altar of reform; to change from a high-ranking general of thought into a lowly private of action.

What drove him to it?

An autobiographic clue may be found in his own words:

"He works for those he never saw and never can see; for a fame, or maybe for a scant justice, that can only come long after the clouds have rattled upon his coffin lid. He toils in the advance, where it is cold, and there is little cheer from men, and the stones are sharp and brambles thick. Amid the scoffs of the present and the sneers that stab like knives, he builds for the future; he cuts the trail that progressive humanity may hereafter broaden into a highroad. Into higher, grander spheres desire mounts and beckons, and a star that rises in the east leads him on. Lo! the pulses of the man throb with the yearnings of the god - he would aid in the process of the suns!"

Warmhearted, impassioned, idealistic, compassionate - George desperately needed to lead the children of Israel into the Promised Land. Even though he demonstrated with conclusive brilliance man's necessary adherence to Natural Law, he could not wait to take the Law into his own hands. Books were not enough; words were not enough. What was needed was a moralistic crusade. And Henry George had to lead it.

So he became a politician.

It may be pertinent at this time to discuss the distinction between thought or knowledge (the province of the thinker) and action (the province of the agitator).

Numerous centuries ago, Plato stated that no man knowingly acts wrongly. If a man were to claim that he knows the difference between right and wrong, and still acts "wrongly," there can be but one answer the man does not know, he is ignorant! Otherwise, he would have to choose the "right" path.

Action is never independent from, or contrary to, knowledge or thought. Knowledge presupposes and includes action. Once a man knows what is "right," he must, of necessity, act in accordance with such knowledge.

"You conquer fate by thought," declared Thoreau. "If you think the fatal thought of men and institutions, you need never pull the

trigger. The consequences of thinking inevitably follow."

Commenting on bombs, munitions, and jails, Tolstoy emphatically stated: "When men understand that they need not make them, then these things will cease to be."

The stress, therefore, is on knowledge, thought, wisdom, reason, and understanding. It is in the teaching and in the learning of these "virtues" that the salvation of man lies - not in blind, fanatic, violent, independent, reformist action. The aim of teaching is to point out the path of individual fulfillment through thought.

"Let no man imagine," proclaimed Henry George, "that he has no influence. Whoever he may be, and wherever he may be placed, the man who thinks becomes a light and a power."

Many, many decades have passed since George's eloquent orations thrilled cheering mobs. Has the world, since then, benefited by the enactment into law of the innumerable reforms fought for? Have war and poverty been eliminated?

Alas, no! Misery exists everywhere. Swarming "do-gooders" still scurry, scramble, and scuttle about this earth. They order and restrain, command and deny, compel and prohibit, force and forbid. Are they aware, these arrogant little, foolish little "lawmakers" - of an ancient utterance by the venerable sage, Lao-tzu:

The more restrictions and prohibitions there are in the empire, the more impoverished will the people be. . . . The more laws and orders are issued, the more will thieves and robbers abound.

Was George aware of the truth expressed in the above statement? By the insight shown in his writings, yes! For instance, how much bitter anguish would Henry George, the weary political reformer, have been spared, had he heeded the wise words of Henry George, the great analytical philosopher:

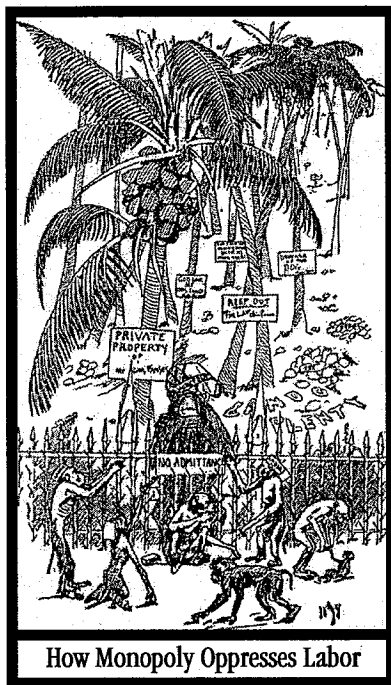
Social reform is not to be secured by noise and shouting; by complaints and denunciations; by the formation of parties or the making of revolutions; but by the awakening of thought and the progress of ideas. Until there be correct thought, there cannot be right action; and when there is correct thought, right action will follow.

An Early Georgist Remembered: Dan Beard

David Domke

Throughout its long history the Georgist movement has attracted a variety of reform minded people of diverse backgrounds and talents. One might say that this sort of diversity is itself implied in George's philosophy; one can certainly say it has greatly enriched the movement throughout its more than one hundred years, providing many streams flowing into a common source.

One early Georgist with an unusually diverse background was Dan Beard, social reformer, illustrator, naturalist and cofounder



How Monopoly Oppresses Labor

of the Boy Scouts of America. Born in Cincinnati 1850, the son of the popular painter James Beard, Dan later became a prominent New York illustrator, his illustrations appearing in many reform-oriented periodicals and books of the late 19th century.

His move to New York was prompted by an offer of a job as a building surveyor with the East Coast-based Sanborn Map and Publishing Company. Working for the company for five years, he made the rounds of the factories and large mills that dotted New

England at the time, coming in close contact with the working classes and hearing of their troubles. But Dan also came in contact with the owners of factories and other forms of capital and began seeing their side of the problem also.

Most social reformers of the time framed their theories around only two factors of production: labor and capital, ignoring the all important factor of land. Dan sought a deeper and more wide-ranging solution to the problem. An early biographer summed up Dan's search for an all-encompassing solution in this way: "After Mr. Beard had come to know intimately the relations between employer and employee, after he had, studied exhaustively the rapidly growing struggle between the masters of the bread and the bread winning classes, he became profoundly desirous of finding some solution in harmony with the fundamental principles of justice... and democracy. At this juncture he read *Progress and Poverty*. Here he found the same passion for justice and human rights which he

felt; the same devotion to the high ideals of free institutions; the same insistence on viewing social problems in a fundamental manner which he felt ever must be a cardinal point in any solution that offered permanency. This book enthralled his imagination, convinced his reason and awakened his enthusiasm... henceforth he was a convert to the land theories of Henry George."

Dan Beard carried over that enthusiasm into his work. In 1889, Beard's work came to the attention of Mark Twain, who was then finishing his novel *A Connecticut Yankee in King Arthur's Court*. Twain's book examined the injustices in a feudal society ruled by monopolies in power and land; Dan's illustrations went so far as to suggest a land-value tax as a solution. The illustrations were abandoned in later editions of the novel for being too radical.

Dan himself published a novel, *Moonblight*, about the monopolization of natural resources. In 1898, Dan produced four illustrations that amounted to a mini-lesson in the Single Tax. As

George Orwell would later do in *Animal Farm*, Dan used animals as allegorical figures in many of his illustrations. In one, *As It Is Today in America*, a monopolist, portrayed as a hog, rides on the backs of both labor and capital, all the while consuming the product of labor. *How Monopoly Oppresses Labor* shows laborers, in the guise of monkeys, being denied access to land (the landowner is portrayed as a

large ape sitting behind a fence on his privately owned land surrounded by signs that say Keep Out and No Admittance). The illustrations later appeared in Bolton Hall's popular exposition of the Single Tax, *Free America*, published in 1904.

Dan lived to the ripe age of 91, dying in 1941. Perhaps the best tribute to his art was given by Mark Twain when he was vice-president of the Anti-Imperialist League of New York. Twain, writing to Dan in 1902 in praise of his illustrations to Ernest Crosby's anti-imperialist novel *Captain Jinks*, said: "I

cannot tell you how much I like the pictures. I think you have not made better ones, nor any that were redder with the bloody truth."



As It Is Today in America



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where economic truth might be taught had haunted Geiger. He had always felt that the only

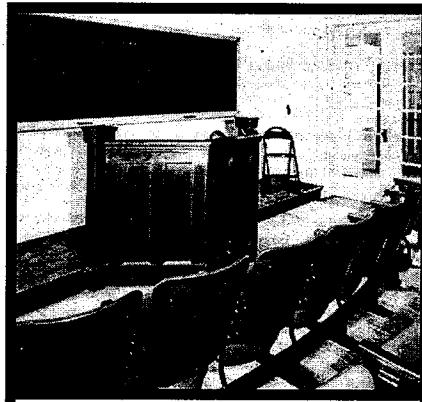
"He told the simple remedy that could restore to the people their birthright - namely taking the rent of land, the fund that society produces as an entity."

way the Georgist reform would make headway was through a thorough preparation by education. From time to time he attempted to found such an institution but without success. . . But now Geiger was out of a job. His thoughts turned to propagating the Georgist philosophy." On January 1st, 1932, the Henry George School of Social Science was founded, with Oscar Geiger as Director.

Its beginnings were modest indeed. Initially, the School consisted of Oscar as the main lecturer and after a year of lecturing, he offered the first official course – a 10-lesson course in what he called Fundamental Economics based on George's *Progress and Poverty*. He felt that *P&P* was still the best summation of George's ideas and he painstakingly went through the book and devised a 10-lesson workbook, a form of which the School uses to this day. This first course, as well as other School activities, was held in a rented room in the Pythian Temple. Soon, however, the need for a more permanent abode was recognized and one student, Leonard T. Recker, a vice-president of John S. Swift Co., a printing house, donated a year's rent and in July of 1933 the School moved into its first home, an undistinguished building at 211 W. 79th St. In the Fall of 1933 the first regular semester of courses began, with Oscar adding the courses Protection or Free Trade and the Science of Political Economy. Of 84 students who enrolled in September, 75 students completed the entire three-course study, graduating in the Spring of '34. Oscar taught all the classes, performed all the administrative work and was never entirely free of financial worries.

A Seed Was Sown picks up the story. "The School began its career unpretentiously. One would scarcely have observed that an institution was being founded. It was still no more than Oscar Geiger engaging in the same lecture work as before. Nevertheless, notices were sent out announcing the formal opening of the

School. It was a lecture and forum....to be held in January. Morris Van Veen wrote of this occasion "The night was bitter cold, but I went. I would have regretted all my life, after hearing what I did, to have absented myself. The master in a wonderful way told our story so simply, comparing past and present civilizations, showing their disintegration because of land monopoly; drew vivid pictures of conditions, and told the simple remedy that could restore to the



One of the School's first classrooms

people their birthright - namely taking the rent of land, the fund that society produces as an entity. Here we have a teacher who has the ability, the learning, the culture, the background, the power and the logic, truly, sincerely, convincingly, to tell the story."

As the School grew more popular, Oscar added classes in the mornings and afternoons. In addition, he began correspondence courses. All of these classes he conducted himself. The strain of the work soon began to take a toll on him, financially and physically. At the end of the 1934 Spring term a dinner was held for the graduating students. Many students arose, one after another, and offered their tribute to him. One student said,

"We can't afford to lose Oscar Geiger. We need him for this work." Oscar, in response, rose from his seat and declared:

"Oscar Geiger is now living and working for the cause, and he intends to continue doing so even if he dies in the attempt." This provoked great applause but proved, sadly, to be true. His friends and students begged him to take a well deserved vacation, now that classes were over. He had accepted an invitation to take his family to stay with a friend in Maine for the summer. But later that June Oscar's health took a turn for the worse. He died on June 29th of a heart attack.

Funeral services were held at the School; 150 students attended. At the ceremony one attendee, Charles O'Connor Hennessy, president of the Robert Schalkenbach Foundation, said, "I believe Oscar was happy in spite of the sacrifices and privations he endured for the faith that was in him. Because, caring very little for material rewards he hungered and thirsted after righteousness. . . he was true to his vision."

Although Oscar had left no formalized plans for the School to continue on after his death, continue it did, with friends and students banding together to carry on the work. Geiger's classroom notes were gathered and became the basis of Teacher's Manuals. Volunteer teachers were enlisted and prepared to teach classes in the Fall. The news got out, through word of mouth and the distribution of flyers, that the

School would go on. In September, the new school year opened with twice the enrollment of the previous year. Soon, followers of Henry George in other cities took note of the School's continuance and opened schools. The Chicago School opened that same year in the Fall, followed by Philadelphia. Within a few years, classes were

being held in cities and towns throughout the country. Soon the New York School outgrew its headquarters and a larger building was needed.



The School's charter, granted in 1937

In 1938, the School was moved to 29th St. A seed, indeed, had been sown.

The School continued to flourish, adding classes in different languages and expanding its correspondence courses. By 1944, the School once again needed more space and moved to 50 E. 69th St. By its twentieth anniversary in 1951, the School was graduating close to 750 students a year and had begun holding classes in local YMCAs, churches, libraries and public schools. The School had also inaugurated a speakers bureau, with volunteer lecturers fulfilling more than 45 speaking engagements in 1952 alone.

The social upheaval of the sixties saw continued growth for the School and its affiliates, as many people began to question the status quo

“Geiger believed, as we at the School believe today, that the majority of people don’t understand that land is a natural opportunity, or that its value is the result of the actions of the community as a whole.”

and look for permanent solutions to social problems. In 1967, for instance, 700 students completed Fundamental Economics, in three languages. 700 students completed the correspondence courses, in five languages. In addition, the School by then had 23 extensions, 13 of which were outside the U.S.

By the 1980s the School added a High School program and newsletter, which now reaches over 1700 teachers throughout the country. The program has 3 lesson plans focusing on the land question throughout history, with one plan focusing on American history, another on World history and a third focusing on Economic studies. This entire program was made available, in the late 90s, free on the School’s web site, www.henrygeorgeschool.org.

A calendar of events and a schedule of classes

is updated regularly at the site.

The year 2002 sees the School carrying on its 70 year tradition. A full load of basic classes in the afternoon has once again been added to the schedule. Recently, Mike Curtis the School’s Director of Education said, “The School was started because the Single Tax political party, later the Commonwealth Land Party, was not able to win enough votes to create a just society.

“Geiger believed, as we at the School believe today, that the majority of people don’t understand that land is a natural opportunity, or that its value is the result of the actions of the community as a whole. And when they do, we believe the political process will deliver.

“For that reason our focus will remain, as it has for 70 years, the teaching of the basic principles of political economy. We will teach what is generally not taught at other institutions, but is necessary to create equal opportunity and a just distribution of wealth.”

In summarizing this brief history of the Henry George School of Social Science, we could do no better than to quote from the Director’s report of 1952, on the occasion of the School’s 20th anniversary:

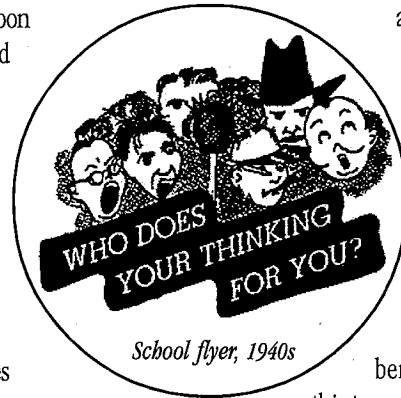
“The first score of years of the Henry George School of Social Science shows the following developments: The creative spark of genius that started the School. The emergence of its modus vivendi. The continuance and growth of the School after its Founder’s death. The first wave of enthusiasm spreading over the country, resulting in voluntary School activities everywhere...the

School continually moving forward. And un-

derneath it all, the organic growth from the seed that had been sown in 1932.

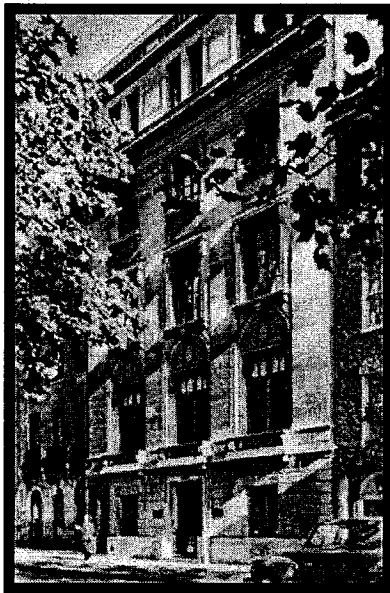
“And, finally, must be mentioned the abiding faith, the unspoken dedication, and the persistent effort of the many friends and supporters and workers that have brought the great work of the School to the height it has attained and will bring it to still greater heights.”

Recently, School Member Trustee Simon Winters had this to say about both the School’s history and its future mission: “In the 20th Century, the School was the primary educational voice of the philosophy of Henry George. Now in the 21st Century, it will redefine its educational mission and its institutional structure as a “school” by expanding its outreach via the new frontier of electronic media. This will give us the means by which we can reach millions of people representing different public interests... an all-inclusiveness that is at the heart of the teachings of Henry George.”



In 1919, Oscar Geiger wrote the platform of the Single Tax Party. It read, in part: *In crude civilizations slavery and serfdom were encouraged to obtain the unpaid labor of men. Modern civilizations do not tolerate body slavery or serfdom, but, in their land laws, establish an unjust system that insidiously but effectively reduces many to economic dependence almost as helpless as chattle slavery and quite as intolerable; for a poorly paid and dependent class is inevitably created by obstructions to the use of land imposed by private ownership of land rent... The parent of all monopolies is the private appropriation of the rent of land. Other monopolies exist because this fundamental crime against human rights is permitted to endure.*

Information for this article culled from A Seed Was Sown, by Robert Clancy, printed by HGS in 1952; and other sources.

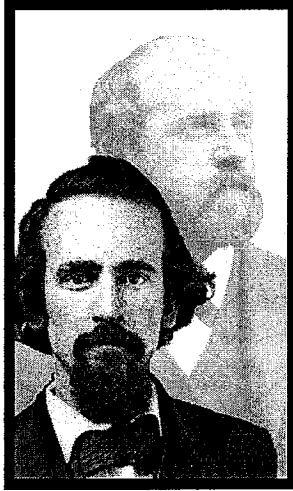


School’s headquarters on 69th St.

Who's This Man? Henry George at Age 26

In 1865, at the age of 26, Henry George was supporting his young family in San Francisco by finding what work he could as a part-time typesetter. It was also during this time he began to write on social-economic issues. Having been unsuccessful in finding permanent gainful employment, and having been reduced to near penury a number of times, George had first hand knowledge of the plight of the poor.

One of his first published pieces was a letter to the editor of a new periodical, the *Journal of the Trades and Workingmen*. In this letter he urged



working people to think about political and social questions and to "check the tendency of society to resolve itself into classes that have too much or too little." In closing, he urged the editor to publish articles on social reform so that "the intelligence of our class be brought to the solution of political and social economy which deeply affect us; that we may bring our united efforts to the advancement of those great principles upon

which our republican institutions rest, and upon which we must depend to secure for us... our proper place and rights" - D.D.

The Arden Land Trust

Mike Curtis

Today there are hundreds of land trusts in the United States; dozens of them are community land trusts which collect land rent and keep their land out of the speculative market. Between 1894 and 1950 there were 17 land trusts started by Georgists and referred to as Enclaves of Economic Rent. Fairhope, Ala., was the first, Arden Del., was second and Ardencroft, adjacent to Arden, was number 17. What is true of Arden is to a greater or lesser extent also true of Ardentown and Ardencroft.

The Potential of a Georgist Land Trust

Before it is possible to judge the success or failure of Arden as a Georgist land trust, it is necessary to understand the limitations of such a trust.

Unless you have an enormous amount of land and can limit population, you cannot create a frontier. If you can not offer free land,

you can't alter the distribution of wealth—raise wages and interest and lower rent. However, there are two primary things a land trust can do that cannot otherwise be done through the democratic process. The first is to remove the need to invest in the speculative price of land, which is based on expectations of greater profits in the future. The second is to transform a tax system based on the confiscation of private

property into a payment for the exclusive possession of land, which is common property.

The Speculative Price of Land

In the simplest terms, the difference in payments between leasing and buying a building is how

quickly you want to pay off the debt. If you don't pay off the principal, all other things being equal, the payments are about the same.

Land is different. In most cases it's profitability increases much faster than inflation. Its price, therefore, is always based on a projection of its future profitability. A building lot with a present potential profit of \$3,500 per year might well sell for \$50,000 or more. If you borrow the money to pay for the

land at 10 percent, you'll have to pay \$5,000 per year to the bank in interest. That's \$1,500 more per year than you would have had to pay its owner in rent. However, if you borrow the money and buy the land, no one can ever raise your rent. Those who can't afford to invest in the speculative price of land are destined to be renters.

No Need to Buy a Piece of Land

A land trust can buy land at the speculative price and lease it out at its much lower current market value. During the early years of a lease, the trust absorbs the loss. Each year the rental value is reassessed and the rent is adjusted commensurately. In time, most land will yield more than enough to make payments on the purchase price. As the surplus accrues, the trust can purchase additional land and extend to others the same opportunity to use land without investing in the speculative price.

Wealth and Income Taxes Converted into a Potential Rent Tax

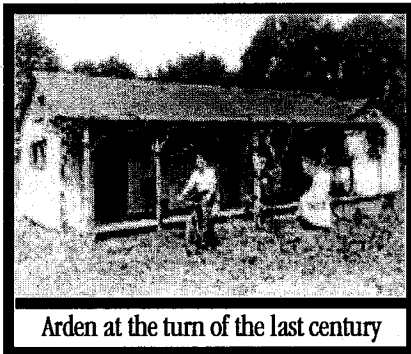
Only through a lease agreement can the land holders be shielded from the government theft of their private property, and at the same time be forced to contribute to the community in reference to the value of the benefits they receive through the exclusive possession of land.

The trust simply pays all the confiscatory taxes levied upon the wealth or income generated within the trust and pays them out of the rents levied upon the annual value of the leased land.

Arden and the Full Rental Value

Arden, as a Georgist Land Trust, has evolved over the years, but its basic premises are still in tact. The land is owned in common. The streets and park lands, which make up about half the area of the village, are owned by the political entity, "The Village of Arden". The other half of the land, which is leased in varying sizes for houses, etc., is owned by the trust. Instead of a deed, the people who own houses and other improvements have a lease.

The Deed of Trust and the lease agreements require that the land be leased at its full rental value. Out of the rent so collected all state and local taxes are to be paid so far as the rent is sufficient. Any remaining balance may be spent for such common purposes as desired by a majority of the residents, so long as those disbursements are properly public.



Arden at the turn of the last century

Japan's Post-War Land Reform

Don Le Vor

Wolf Isaac Ladejinsky is not the name of someone known by Georgists as one very active in the history of land reform yet his life activity, his teaching and his lifetime of "doing" and "creative pursuits" bear remembrance by us all in this new century.

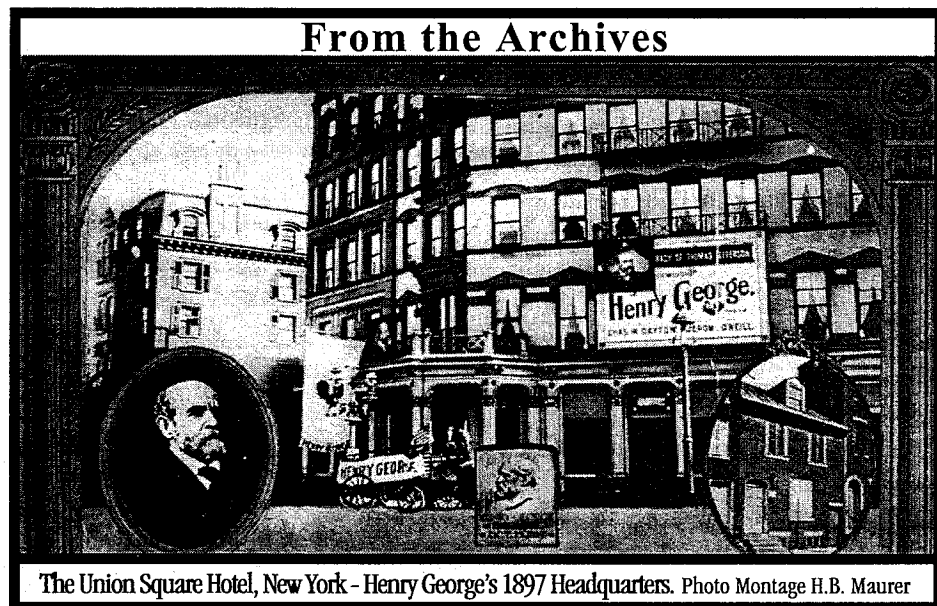
Ladejinsky was born in Russia one year before the turn of this past century, in a land that had just recently thrown over the yoke of serfdom. He left Russia in 1920 with his family's blessing and arrived in the United States of America.

In 1922, after a passage through Europe, Mr. Ladejinsky arrived on our shores, penniless and without the ability to speak English. It was a typical immigrant's story: he washed windows, made button holes and then mattresses, and sold newspapers on 6th Avenue in New York City. He became a United States citizen in 1928. In 1934 he received a master's degree in agricultural-economics from Columbia University. In 1935, during the depression and the presidency of Franklin Roosevelt, he accepted a position with the Department of Agriculture in Washington, D.C., specializing in Asian problems. He earned a salary of \$2,000, which was typical of the time. He wrote widely in technical and popular journals, particularly about the collectivization policies of the Soviet Union under Stalin, who was enslaving and destroying the farmers and peasantry of that country, much as had been done long before under serfdom and the Czars of Russia.

In 1945, following the end of World War II, U.S. Army General Douglas MacArthur called him to Japan to over see the land reform program of the occupying Army. Land reform was a top priority with the General, just as it had been with his father forty five years earlier. MacArthur's father had served as the General



MacArthur with Emperor Hirohito, 1945



The Union Square Hotel, New York - Henry George's 1897 Headquarters. Photo Montage H.B. Maurer

of the Army in the Philippines under the direction of future president William Howard Taft who was governor of the island empire at the time. The two men disagreed and the country's land policies returned to the old Spanish landlord traditions of land privatization which the Philippines are subject to today and for which reason they are still mired in poverty.

With MacArthur's blessings, Wolf Ladejinsky was given the rank of a Brigadier General and housed in the Hotel Imperial in Tokyo, much to the objection of the "Gold Braided Generals" who considered themselves the exclusive inhabitants of the said institution. He was a "favored son" of the General/Supreme Commander, which likewise rankled many of the military and civilian advisors. Ladejinsky advocated agrarian reform which entailed the acquisition of large private estates by the government, and their sale to tenant farmers on easy credit terms. Also encouraged was the idea of buying tools, equipment, and seed from the merchants and bankers. It was a "hands on" supervised agricultural reform program. Classroom studies were instituted and reviews

of rice paddy and orchard growing methods, as well as animal growth and development and the importation of milk cows and other live stock,

He advocated agrarian reform: the acquisition of large private estates by the government, and their sale to tenant farmers.

was introduced. Over 5,000,000 hectares of land were redistributed, and the former landlords of Japan's ages - old feudal system and their rent collectors were paid off. Without this land reform background, Japan's Liberal Democratic party would never have been able to establish itself as the major political party it has been during the last thirty - plus years.

After his stint in Japan, Ladejinsky served President Chiang on mainland China, and then on Formosa, where his reforms led to a new, prosperous country known today as one of the "Asian Tigers". Reflecting on the success of land reform in Japan, Ladejinsky was proud to state that if his land reforms had been enacted ten years earlier throughout mainland China (i.e. 1938-1939) "there could have been a different story."

Don Le Vor has recently been elected to the HGS Board of Trustees

Continued from p. 6

The Annual Board of Assessors

The assessors are sworn to assess as nearly as possible the full rental value of each of Arden's leaseholds. However, a provision of the charter allows an alternative assessment submitted by any leaseholder and approved by two-thirds of the Town Assembly, and again by referendum, to become law. An alternative assessment is not required to be the full rental value. Ironically, an alternative assessment has never been adopted.

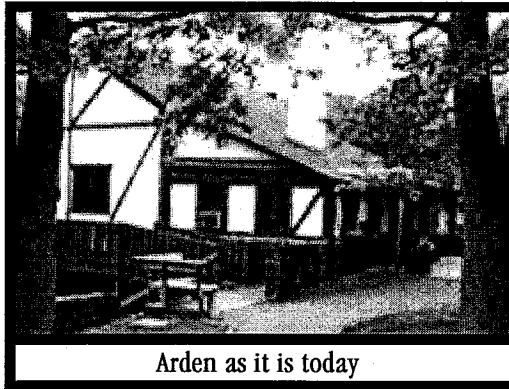
In the early years there was a mortgage to pay on the purchase price of the land, streets and public improvements to build, and a reluctance on the part of many prospective residents to build a house on a piece of land they couldn't own. It is likely during those early years that the full rental value of the leaseholds totaled just enough to pay the taxes levied by the county on the buildings and land, make the payments on the mortgage, and provide a reasonable level of revenue for the maintenance and improvement of Arden's infrastructure. In other words, the full rental value of the land was being collected and spent for the needs of the community. (When the state began to levy income and other taxes, the trust reneged on its agreement to pay state taxes.)

As time went on, the mortgage was paid, the roads were complete, water, gas, electric and, much later, sewers became available; the rest of the county increased in population and development and the value of Arden's land increased. The value of Arden's land increased at a much faster rate than its expenses, a trend that continues to this day. Unfortunately, no provision was made for buying more land or any other external expenditure.

Arden could issue a cash dividend, or it could still further improve its public spaces. However, not only would giving a cash dividend increase the rental value of land, but so would improved streets and park land. There is not only no need to collect the full rental value of the land, but if it were collected, there would be no reasonable way to spend it.

As it is, the elected Assessors have simply redefined the words "full", "rental" and "value", when used in regard to assessments, to mean an amount equal to the needs and wants of the Village. There is testimony as early as 1912 that this practice had already begun.

Because all the rent is not collected, the leaseholders enjoy what Georgists call an Unearned Income (money collected or saved). This Unearned Income is calculated in a speculative projection and capitalized into a selling price. The net result is that land in Arden sells for just as much, given its advantages and disadvantages, as land sells for anywhere else in the county. The leaseholders enjoy the Unearned Income and the Unearned Increment (the increase in the selling price), and those who want



Arden as it is today

to live in Arden have to pay the speculative selling price of the land, in spite of the fact that they only get a lease.

This failure, perhaps an oversight of the founders, was caused by not having an outside entity entitled to the surplus rent. There is no doubt it was a monumental undertaking to establish the trust and the village, and it may well have been impossible to find lessees under provisions that part of the rent would be spent for the purchase of more land or education. However, the absence of an outside entity entitled to the surplus rent ensured this ultimate failure.

Development Restrictions

The founder of Arden had in his house a hand carved quotation of Themistocles. It read, "I cannot play upon any stringed instrument; but I can tell you how of a little village to make a

great and glorious city"

Today, Arden's residents have another idea. Arden's land continues to increase in value, but the town restricts the building of additional dwelling units, thus restraining a growing density of population. These constraints lower land values and often require people to hold more land than they want, the antithesis of the Single Tax incentive.

Arden Transforms the Real Estate Tax

If nothing else, Arden as a Georgist land trust, has accomplished one thing perfectly - it has transformed the county and school real estate taxes into a land value tax. The real estate tax bills go to the legal owner of the land, the Arden Trust, and the money to pay the taxes is raised from leaseholders in proportion to the value of their land only.

Arden gets its name from a forest in Shakespeare's *As You Like It*. "Now am I in Arden?," says a character in the play, "The more Fool I." In Arden, if you own a \$250,000 house, you pay no more in taxes or land rent than your neighbor does if she owns a \$50,000 house on a similar piece of land. However, the more your house is worth, the more everyone's land rent increases.

That's why people say: "in Arden, they take from the poor and pay for the rich." "Now am I in Arden? The more Fool I." The truth is, however, within the leaseholds of Arden, the value of houses and other improvements belong unconditionally to their producers or their assignees, not in any degree to the government or the community. Conversely, each leaseholder within the community is required to contribute to the community in direct proportion to the benefits she receives from the community - a small, but very real step toward the Georgist goal of justice.

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