

What Is Behind the News?

A Panel Discussion of Current Events

IN a setting cleverly contrived by Joseph Solá to simulate a "live" television broadcast, a group of Henry George School teachers engaged in a "no-payola" panel discussion on a recent Friday Evening at Eight. Chairman of the evening and moderator of the panel was Sydney Mayers, who welcomed a gratifyingly large audience and introduced the participants, who were Dorothy Sara, Francis Nicosia, and David Sklar. Mr. Mayers explained that the aim of the program was to demonstrate how to apply economic principles to the news of the day, in order to determine not only what is happening—but also why.

Turning to current newspaper columns, the chairman noted that New York City had voted to repeal the unpopular tax on taxicab fares, and asked the panel to comment on the reasons for the repeal. The consensus of the panelists was that primarily the repeal was politically motivated, but more basically the tax had proved to be harmful to the industry. Mr. Sklar pointed out that although there is general opposition to many taxes, here was a case where the city fathers could not withstand the pressure of a unified and articulate body.

The panel also discussed the proposed rise in the federal tax on gasoline, and showed how the rise would tend to cut down the demand for motor fuel, citing the increasing use of smaller automobiles. Mr. Nicosia noted that if you raise taxes high enough you are bound to hold down inflation, but it certainly will discourage the auto market, killing the goose

that laid the egg. However, Miss Sara observed that while unit fuel usage might be curtailed, greater production and increased demand for motor vehicles would probably tend to maintain the level of consumption.

The subject of the so-called "population explosion," which is now receiving so much publicity, was discussed by the panel. Mr. Sklar dismissed the ubiquitous claim of over-population as merely a revival of Malthusianism, and said that in his opinion this was only an illogical effort to find an excuse for the prevalence of poverty. Miss Sara remarked that the natural resources of the world had barely been scratched, and many times the present population of the world could easily be supported were it not for the maldistribution of wealth. While agreeing in principle from an economic viewpoint, Mr. Nicosia commented that to see abject poverty with one's own eyes is one of the most frightening of human experiences. In general, the panel was in accord with an editorial from Barton's Weekly, which concluded: "The crying need in the world is not for fewer lives; it is for more opportunities of making a living."

In discussing the "invasion" of Switzerland by many American business firms, the panel brought out that some reasons for the flight of these companies to Geneva and other Swiss cities were economic and political security, less restriction regarding finance and banking, and (last but not least) the considerable tax advantages to be found in that country. All agreed that the primary attractions to the Ameri-

can businessman, to encourage such a move, must be more benefits and bigger profits.

Mention of the recent move in Indonesia to impose ceilings on prices to curb sharp increases prompted the panel to observe, quite unanimously, that prices can be established only on a market. Miss Sara cited past experience to show that price ceilings artificially set simply moved the effective market under the table, behind the door or to some other "black" area. Mr. Sklar, drawing on his experience as a real estate analyst, stated that rent control in urban territories resulted in depressing the quality and value of rent-controlled properties, and in due time created vast slums. At the same time, he pointed out, removing rent controls in itself would not be sufficient to wipe out slums; and the only way to remedy the blight would be to

collect full economic rent publicly, which would compel complete, proper and efficient use of productive land sites.

Several other topics were discussed, and while there was agreement on fundamental principles, each panelist offered personal and individual opinions on the various subjects. The discussion succeeded in making it quite clear that political economy, far from being "dismal," can be extremely vital and stimulating if thoughtfully applied to selected news events found in every Metropolitan newspaper. Following the panel's comments, the audience took part in a lively question-and-answer period, indicating that they had found the program interesting and enjoyable. This unrehearsed program having proved so successful, it is hoped that more such discussions of timely topics can be arranged in the future.



WHAT CONTROLS LAND VALUES?

A round-table discussion on inflation and "tight money" held last fall appeared to reach the conclusion that these affected housing first among all major industries. The consensus of opinion was that tight money does not really control inflation—above all, it does not control skyrocketing land values due to land speculation. Only one effective measure was indicated for controlling land values—shifting the burden of taxation from houses to land.

This subject was discussed at the instigation of House & Home, leading magazine in the home building field, and a report was published in the January, 1960 issue.

Pierpont I. Prentice, editor and publisher of House & Home, newly elected to the Robert Schalkenbach board, has recently been elected a director of the Lincoln Foundation.

FREEDOM PAPERS

The People's National party of Jamaica "proudly presents the result of land valuation on the unimproved value in the parishes of St. Catherine and St. Ann." In these two areas there are 75,000 taxpayers. Among these, 53,000 have had their land valued at £100 or under and will now pay only four shillings a year in taxes. Most of the 9,000 who have had their land valued at under £1,000 are also paying less than before.

Only 2,000 out of 75,000 have properties valued at over £1,000 and most of these will pay higher taxes, but they were paying far less before than they ought to have paid. So 72,877 persons out of 75,000 are singing the praises of the government which instituted the land value taxation reform. These people are waving their new valuation notices and calling them "freedom papers."