

Rare Days on the Raritan

IT is now a hundred years since political economy was referred to by Thomas Carlyle as the dismal science. He would have been surprised had he visited the 15th Annual Conference of the Henry George School in July, where, at Rutgers, the State University of New Jersey in New Brunswick, several sessions were prefaced with "five minutes of humor."

Dorothy Sara of New York remarked that not even Bob Hope could be funny that long, and *he* gets paid for it! Harry Pollard of Toronto offered as humor, five minutes of "muddled thinking—an intelligent discussion of nothing," selected from *An Introduction to Political Economy* by Blake.

All meetings were well moderated and characterized by pleasant *unplanned* humor. The quality of inquiry was impressive as it always is when the New Jersey leaders: President Geoffrey Esty, Dean Alexander Goldfinger, Director John Tetley, Instructor Oscar Johannsen and Trustee Louis Weitzman are in evidence.

A pre-conference directors' session was held on July 8th presided over by Director Robert Clancy of New York, who suggested the work of the school be evaluated in a general, "impressionistic way." Indications were that while progress is hard to evaluate, the school is moving ahead and a break-through might come very soon in results and accomplishments. Many graduates, it was noted, go on to teach or write and become influential in various ways. There are now about 85,000 graduates in Canada and the United States, and perhaps 100,000 in the world, the chairman estimated.

Robert Tideman of San Francisco

suggested that more analysis of current affairs be offered so that students could become highly informed citizens, rather than Georgists. He also emphasized that those who worked with the school need not surrender their prerogative as citizens when it came to political activity.

Harry Pollard described a newly formed alumni organization. Robert Berveiler of Kansas City, "the newest director present," reported on a class recently completed at Leavenworth Prison, where he is employed.

Others who spoke briefly were: Strehel Walton of Montreal, Leoane Anderson of Denver, James A. McNally of Hartford, John Lawrence Monroe of Chicago, Robert D. Benton of Detroit, Noah D. Alper of St. Louis, John T. Tetley of Newark, Joseph A. Stockman of Philadelphia, and Arleigh Chute, assistant director, New York, who gave a closing report on his staff activities before resigning to take a position at Sperry Gyroscope Company in Long Island. Mitchell S. Lurio of Boston and William B. Truehart of Los Angeles arrived too late for this meeting. Seventeen extensions from 15 states and two countries were represented—14 by their directors. Converse Harwell from Fairhope, Alabama was a visitor and Glenn Hoover represented the California East Bay extension.

San Diego did not report but was represented by Mr. and Mrs. James L. Palmer. The new director there, Rev. Robert V. Andelson, will live at the new headquarters, 5111 College Avenue, to be known as Henry George House. He is a college professor and seminary lecturer—his wife studied economics with William B. Truehart

at Arlington College where the Los Angeles director was a class instructor. The Andelsons were married on July first—they are in their late twenties.

At the official opening of the conference on Thursday, Dr. Esty extended a welcome, as did Dr. Everett G. Preston of the New Jersey Department of Education, and Dr. Charles H. Stevens of Rutgers University. This was followed by the first "think shop" where the topic was "Present Day Land Speculation—Is it the Principal Cause of Depressions?" Mr. Goldfinger outlined Colonel E. C. Harwood's contention that the 1907 and '33 depressions were primarily monetary collapses. This led to animated rebuttal. Glenn E. Hoover of Oakland made the point that the purchase of land is accelerated because speculators can "go to the bank"—also it is a hedge against inflation. "Land speculation causes inflation," he said, "but it is not a first cause of depression, since it is going on all the time."

Value

A provocative debate was touched off by a paper on socially created values, by Rhoda Hellman of New York at the next session. She pointed up especially the values *not* connected with land which are unequally distributed. These she found to be of two categories: those which *could* be changed by law, as tariffs, patents and deliberate price-fixing agreements between corporations, and those which accrue to people who have the luck to be "in the right place at the right time."

Oscar Johannsen said value was a subjective phenomenon created by society, which could not be measured. When we say that land value is socially created, he said, the Socialists tell us there are other socially created values, and we would do better to use the term "market price" of land. Dr. Esty agreed with this but added that land, not being made by

man, is not a form of wealth, nor is its origin labor—land value is therefore *exclusively* a social value.

Robert Benton added a genial point of departure by saying that value means exchange and nothing else. Things will exchange for each other in the inverse ratio as they will command labor. If one house will command for the possessor, say ten times as much labor as one automobile, then one house will be worth as much and will exchange for ten automobiles. Land value, he said, is simply the ratio at which land will exchange.

Well, anyway, said Moderator Alper, we can agree on this much: "we are for justice, we are against something for nothing, and we are against monopoly." And land, it was remarked elsewhere, is the *only* monopoly.

Money

A panel discussion presided over by Mitchell S. Lurio was listed as "Inflation," but each of the three speakers talked on that troublesome and long-taboo topic, money, after dismissing inflation as too hard to define.

Robert de Fremery of San Francisco, author of *Money and Freedom*, was not present, but his viewpoint was presented by Arleigh Chute, formerly of Oakland. Most depressions, he noted, have been money panics, and he favored converting all banks to deposit banks, taking away their power to issue credit.

The Macy D. A. system is an example of this. Presumably no one could buy goods beyond the limit of the balance in the deposit account at the time of purchase. It is interesting that Macy's have just made their first departure from their strict rules in forty years. They are now encouraging customers to enter into a retail installment credit agreement. Thus installment buying gathers momentum at every level. Does anyone remember 1929?



DIRECTORS' GROUP: back row, from left: Arleigh Chute, Robert Tideman and Joseph Stockman. Second row: Howard Farkas (standing in for M. S. Lurio), Harry Pollard, Robert Berveiler and John T. Tetley. Front row: William Truehart, Raymond McNally, Robert Benton and Robert Clancy (left). Glenn E. Hoover, Geoffrey W. Esty and Miss V. G. Peterson at New Jersey headquarters, Newark (right).

Oscar Johannsen waved a \$20 Federal Reserve Bank note which he said was not money, because it was not gold. It is a promise to pay and is not backed by anything, he said—it's just an entry on a ledger. He pleaded for a drastic change of the Federal Reserve system—a return in fact, to its original state, before it was authorized by the government to print four dollars for every dollar in gold. Up to the present two and a half dollars have been issued for every gold dollar, so things are likely to get a lot worse before they get better, if the trend continues. "The economy floats on a sea of paper which is constantly rising," he said, "because the Federal Reserve is a gigantic printing press, and the increase of money substitutes pouring into this sea is *inflation*." Banks, he believes, should be taken out of the control of government and should function independently like other businesses.

Robert Benton said his remarks would not be directed to those who already "feel good about money," for they know all about it. Here is a shrewd observation we often miss. But it remains one of the most pleasant aspects of this conference, that all views were clearly, briefly and some-

times humorously stated, never in heated tones and never with malice. Mr. Benton said that since "an increase of currency creates a privilege for debtors by making it possible to repay a debt with less labor than the loan represents, the amount of currency should never be changed, despite population increases. Furthermore, the measuring device must always remain stable, though it need not be precious metal. Borrowing should be permitted by individuals or businesses, but there should be no extensions of credit underwritten or subsidized by new issues of currency from a central authority. It is time to separate bank and state, governments must learn to live by and within their own natural income—economic rent, he said.

There you have it, very, very condensed. How quaintly old fashioned this must seem to those who compute the astronomical figures!

Lancaster M. Greene, trustee of the Henry George School in New York, and an investment counselor, is also a member of the University Glee Club and he started the Thursday evening session on a cheerful note by singing a stanza of the Rutgers song. New Brunswick, it was learned, was the

home of Henry George's father. He was born there in 1798.

Two directors, both with ability and experience, are using radio and television to inform the public—and while the programs are different, both are excellent. Robert Tideman did not report on his broadcasts over a Berkeley station, but he has also become an expert in this field. Mr. Tideman's masterly talk on "Functions of Government" will be reported briefly next month. Strehel Walton was the chairman at that session.

The California radio program, "Economics-By-George" heard on KABC on Sunday evenings, is a commentary on current affairs bringing in principles from *Progress and Poverty*. As this occupies expensive time an attempt is being made to find a sponsor. Listening to a sample program on the tape, the conference audience was impressed with the quality of the subject matter and the presentation, featuring William B. Truehart, the Los Angeles director.

It was good to hear from the Chicago director, John L. Monroe, who is carrying on an ambitious and successful program via television in connection with weekly classes in the Commerce and Industry program. Since other extensions have not attempted anything like this, it was gratifying to see and hear the Chicago method. The film showed "Barney" and "Tini" pricing the same plot of land at State and Madison Streets at various "boom and bust" periods in Chicago's history. In 1832 Barney thought \$20 was too high a price for it. One hundred years later he was glad to pay \$3,000,000 for the same plot. This was a fine presentation—graphic and compelling.

Arden, Delaware has nostalgic implications for those who know something of its history. It was therefore a treat to have as a guest speaker, Hamilton D. Ware, a trustee of Arden, Ardentown and Ardencroft. In these striking communities, 55 per cent of

the land is leased to residents and 45 per cent is held for the community. Although the trustees are devoted to the principle of collection of full rental value, the assessors are elected by the people and they make election promises to lower the assessments. Because the trustees have to accept the yearly assessment figures of the board of assessors the full rental values is not collected, and there is sometimes keen bargaining for the leaseholds.

While Arden residents are for the most part out of touch with the ideals and dreams of the founders of this unique plan, they are nevertheless very vocal about the amounts of their assessments—since these are posted and can be known by all. Rentals collected from the holders of 163 acres amount to \$15,000. Approximately \$6,000 is spent on state and county taxes, and this gives the three communities the benefit of fire, police and health protection. Administrative costs are only \$2,500—and the remaining \$6,500 goes into improvements that will not benefit one above another.

Up to the present all improvements and taxes have been paid out of income, but the county is now putting in sewers and these will be financed by a \$300,000 bond issue payable over twenty years. This amortization will be paid by the trustees out of rent. With the completion of sewers land values will double, as will the tax bill. Housing developments in the vicinity are all of the usual treeless variety, so Arden attracts many visitors and residence in the three communities is very desirable because of the natural beauty, social advantages, lack of restrictions, and we should add, the singular solvency.

James A. McNally gathered together in a final meeting at Rutgers, activity reports from allied organizations. Weld Carter, representing Robert Schalkenbach Foundation in New York, spoke of his recent and second tour to awaken and create further in-



CONFERENCE GROUP at Princeton Inn waiting for their dinner (left). **John T. Tetley and Mrs. Virginia Harvey** on Rutgers campus—they did most of the work (right).

terest in the land question as stated by Henry George.

On his first tour in 1957, visiting a number of colleges through Michigan and Wisconsin, he made the acquaintance of Professor Richard W. Lindholm of Oregon. This proved to be a significant meeting because Professor Lindholm asked, why doesn't someone undertake a study of land value taxation in the underdeveloped countries? That this was adopted, acted upon and nearly completed was evidenced by a report given by Dr. Lindholm at the conference banquet. If nothing else resulted from Mr. Carter's visits the effort would not have been in vain. A third tour will probably take him and Mrs. Carter to Texas for a second visit.

The Public Revenue Education Council of St. Louis is tax-exempt and non-political. It was brought into being because Noah Alper feels that taxation as taught in the schools does not focus on sources and people need to be told the difference between rental of the earth and the rewards of human labor. Literature is available on request from St. Louis headquarters, 818 Olive Street, St. Louis 1, Missouri.

George Menninger reported briefly on the Henry George Women's Club of Chicago, protesting however, that he was not a member.

Robert Benton was glad to say a word on the progress of the new rep-

resentative in Michigan, S. James Clarkson. The resolution printed in full on page 10 of the July HGN was discussed.

William Truehart spoke of a bill introduced in California last year by Vernon Kilpatrick making it mandatory over a period of five years to reduce the local tax rate on improvements and personal property with a view of arriving at a 50 per cent ratio as it applies in Pittsburgh.

This year he has introduced two bills. Assembly Constitutional Amendment 56 provides that local taxing agencies may exempt improvements from taxation. Assembly bill 2866 would go into effect over a ten-year period. In the first year it would require all local taxing agencies to reduce the tax rate on improvements and personal property to 90 per cent of the rate on land. Each year thereafter the tax rate on improvements would go down another ten per cent in relation to the rate on land, until all improvements and personal property in the state are free of taxation. Both these measures, introduced in the last session of the legislature, have been referred to the Assembly Interim Committee on Revenue and Taxation for study.

The following telegram from Assemblyman Vernon Kilpatrick was read and it is suggested that readers of HGN note its contents and see

what specific factual material they can contribute:

"Twenty-five outstanding local representatives of various business and professional callings in California . . . by unanimous testimony voiced approval of a nation-wide fact-finding search for documented and other data in support of the two Kilpatrick legislative measures ACA56 and AB2866. . . . We request that you announce our project efforts to the convention and seek active participation."

It was appropriate that the "oldest single tax organization in the United States," should be represented by its secretary, Percy R. Williams of Pittsburgh. The Henry George Foundation of America, which is completely self-supporting, is planning to try to bring one community in Pennsylvania to the point where they will seek help in organizing the tax reform. The Pittsburgh graded tax plan was adopted in 1913—this took 50 per cent of the tax off land and shifted it to improvements. Any third class city in the state may adopt this reform upon action of its city council.

Robert Clancy brought a greeting from the International Union for Land Value Taxation and Free Trade, with headquarters in London. He said this veritable clearing house for information is attracting younger members and is becoming more active and more representative.

Mr. Clancy also mentioned the Lincoln Foundation which has made grants available for a college program parallel to the Schalkenbach Foundation program, but of a different nature. It has no office or organization and is simply a disbursing organization.

Ezra Cohen, trustee and acting president of the Henry George School, New York, before introducing Professor Harvey Segal and Professor Ernest Kurnow of New York University on Friday evening, read a newspaper item appearing on that date to the effect that the bulk of the estate of John C.

Lincoln would revert to the Lincoln Foundation to be used "to further the single tax idea." The two professors have been making special studies under this grant, and their abbreviated reports are carried elsewhere in this issue.

At Princeton Inn, Princeton, New Jersey, on Saturday evening the banqueters were very pleasantly entertained with music by Carole Dawn Reinhart, trumpeter, and Shirley Leferts, pianist. Addison K. Barry, vice president of the National Newark and Essex Banking Company, was toastmaster; and Professor Richard W. Lindholm, dean of the school of Business Administration, University of Oregon, was the speaker.

At Newark

On Sunday afternoon the headquarters of the New Jersey Henry George School at 78 Clinton Avenue, Newark, were formally dedicated by Miss V. G. Peterson, executive secretary of the Robert Schalkenbach Foundation, to those who will lay aside "prejudice and self interest." She echoed the words from *Progress and Poverty* which are also the closing quotation in *Economics Simplified*, the book written by the founders of the New Jersey School, Elizabeth Bowen and George Rusby. Dr. Glenn E. Hoover, a city councilman of Oakland, California, spoke challengingly of "Freedom vs. Power." A shortened version of this excellent talk will appear next month.

A dwindling number accepted the invitation to visit the Henry George School in New York at 50 East 69th Street for an informal supper. So ended another happy meeting of good people who do not seem to change from year to year, though their children are growing noticeably older.

Next year it will be Detroit, they say. After that Hartford, if Mr. McNally's invitation is accepted—after that Toronto maybe. After that?