



In the October HGN (p. 13) Robert Clancy correctly pointed out that mankind has a choice of ways to apply the principle that man seeks to satisfy his needs with the least effort. He can be destructive or constructive. This was in response to Mildred J. Loomis's observation that Henry George could not logically advocate LVT when he assumes that private rent collectors do no work.

The issue is "what are man's wants?" If a person wanted to reach the top of a mountain he might take a helicopter, or if he wanted exercise and a challenge he might climb to the top.

Henry George sought to elevate our wants and also to indicate the best way to satisfy them. It is important to notice that man only *seeks* to satisfy his wants. This is not necessarily the same as saying man *does* satisfy his wants with the least effort.

TOM SHERRARD
San Diego, California

Noah Alper is right in saying that wages and interest are one source. Indeed there are two, not three, primary sources—the land and the people. But it is a pity that he accepts a fine on human exertion (HGN, November p. 4), a Georgist should not do that!

He suggests taxing income as applied to wages and interest. Incredible — this is the very thing a Georgist is opposed to. The inheritance tax? But that is robbery, a property tax, a fine on thrift, an authoritarian unsocial and uneconomic proposal. The gasoline tax? Well, the oil is a gift of nature and belongs to all. The community has to pay the mining company for exertion in bringing up the

oil, and it has to sell oil to the refinery and distributing companies — the difference belongs to the common treasury. Perhaps you could justify the gasoline tax.

Further on he suggests "collecting as much as 90 or 95 percent of rent-of-land." How can he condone leaving 5 or 10 percent? Not 90, not 95, but 100 percent is our only defensible argument. Besides, the word "collecting" suggests that Alper still moves on the take side of the compensating problem.

How can a Georgist like Noah Alper suggest that government cannot be supported "from this source alone" and propose continued robbery for the difference? It cannot be true that the revenues from the gifts of nature are insufficient for government expenditure.

J. J. POT
Slikkerveer, Holland

The letter from Everett W. Gross in the October HGN is another example of the confusion which still exists among Georgists concerning capital and interest. In reply to Harold Inglis who foresees a lowering of the interest rate under LVT (June HGN) he writes: "With LVT, both wages and the return on productive capital will rise considerably."

No doubt that it would, but that kind of return has nothing to do with the interest rate which applies to money loans. Under LVT, because of higher and untaxed returns to labor and capital, there should be much less need for borrowing, and with no opportunity to invest money in land the interest rate is bound to go lower and lower.

For years I have tried to convince my fellow Georgists that capital is not a factor of production; that it is not productive except in the hands of labor, hence the return to labor (with or without capital) is "wages" not "wages and interest."

In *Progress and Poverty*, Book III Chapter V, page 203, part of the last paragraph reads: "In truth, the primary division of wealth in distribution is dual, not tripartite. . . . In our examination we have reached the same point as would have been attained had we simply treated capital as a form of labor, and sought the law which divides the produce between rent and wages; that is to say, between the possessors of the two factors, natural substances and powers, and human exertion — which two factors by their union produce all wealth."

The three chapters on interest could have been left out and *Progress and Poverty* would have been an even greater book. Today Georgists would not feel compelled to justify "usury" in defending capitalism.

GASTON HAXO
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According to a statistic in *The New York Times Magazine* (Nov. 13, p. 60) the U. S. Government owns 770,000,000 acres valued at \$94,000,000,000. This amounts to \$94 billion for land which is mainly to be found among mountains and deserts — not generally in cities where the high land values are.

If this kind of land is worth \$94 billion, how astronomically valuable must be the total value of all land in the U. S. A tax on this huge value could conceivably relieve us of all taxation, even in this age of warfare and welfare expenditures. Our critics charge us with raising a tempest in a teapot, but the statistics do not support them.

STEVEN B. CORD
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I have recently finished reading *Henry George: Dreamer or Realist?** by Steven B. Cord, who has done an excellent job of research and compiled a fine comprehensive work.

One of the criticisms in the book which at first seemed reasonable was that of Professor Hunter (p. 127) who said that individual landowners sometimes do create land values as viz. Gary, Indiana and Pullman, Illinois, and should be entitled to them. This may be true if the steel company furnished the capital investment that provided the streets, walks, parks, water, sewers, police and fire protection, schools, etc. Without them a city is a ghost town and such things are paid for by the taxpayers who are in all justice, entitled to them. Why there should be any dispute about this escapes me, and the failure of Mr. Hunter to see the point indicates that he didn't grasp what George took such pains to prove.

If a big public-spirited corporation, intending to locate in a place like Gary, purchased the farmland and wasteland for a city and then provided all the services listed above, recovering their investment (with added profit) by the collection of economic rent, you would have a fine example of free enterprise and also a taxless city which would grow and progress with great vigor. Our present system is a negation of free enterprise which syphons off public taxes into the pockets of landowners. No wonder our cities are dying.

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*Available from the Henry George School, 50 East 69th Street, New York, N.Y. 10021 at the special price of \$5.

Can it be that only one reader read the school page carefully in October, or were the others not moved to call our miscreance to our attention? Henry George was born in Philadelphia, not San Francisco, as we carelessly stated, carried away as we were by the bagpipes in Union Square on his birthday. Thank you, anonymous solitary Philadelphian, for telling us.