

"BY GEORGE" MEDIA NOTES

ON THE EDITORIAL PAGES

Marvin Saillard of Olympia, Washington, a former New York HGS student, was published on the Opinion page of the Sept. 21 issue of *The Olympian*. Mr. Saillard, in responding to a comment by the chairwoman of the Washington Communist party, wrote: "The communistic system did not protect the workers in the Soviet Union, and the capitalistic system needs militant labor unions, because neither system understands the economics of worker exploitation. To understand this we must know what capital is, and how some people gain monopoly control of capital which allows them to take advantage of workers." Mr. Saillard continued with a capsule presentation of economic principles governing the production of wealth in "the natural order of things." The power of capital monopoly is rooted in land monopoly, Mr. Saillard concluded. "In the economics of land monopoly in which landowners can keep most of the rent-of-land as unearned income, the landowner launders his rent-of-land by buying capital and calling himself a capitalist."

A week later the *St. Louis Post-Dispatch* published a long letter by Janet Shipton who, by contrast to Mr. Saillard, had not studied the ideas of Henry George. Citing data from Aliquippa, PA, Ms. Shipton urged Missouri cities to follow the example of the several Pennsylvania communities that have adopted some form of land value tax "to slow the yearly increase in abandoned buildings and encourage redevelopment..."

KINSLEY ON GEORGE: RIGHT OR WRONG?

Michael Kinsley, well-known political commentator, has again mentioned Henry George - in *Time* magazine and once more in *The New Republic*. In an article on "David Duke and American Decline" (November 25th issue of *Time*), Mr. Kinsley considers Henry George's thesis in *Progress and Poverty* "that the empty West was responsible for America's egalitarian and optimistic spirit.... Henry George was wrong. Geography ran out but prosperity didn't." Mr. Kinsley's judgement comes in an article on American decline! One can dismiss George's frontier thesis only by ignoring all that occurred since George's death, including US expansion into the Pacific, two or more major wars and lots of little ones, a Great Depression, and lots of

recessions, and the various government schemes to keep the game going!

While trying to explain the popularity of figures like David Duke, Kinsley concludes that this popularity will increase if "the general sense of national decline is not reversed." In this he certainly agrees with *Progress and Poverty*. George's vision of future "carnivals of destruction", tyrannical demagogues and "new barbarians" has proved to be, unfortunately, all too prophetic.

Mr. Kinsley gives George a better rating in the December 23 & 30 issue of *The New Republic*. He takes on another George (Bush), whose remedy for decline, and the expensive S&L bailout, is to raise real estate prices (via a capital gains tax cut). "But any increase in real estate prices as a result of a capital gains break would simply reflect the future tax savings (the technical term is 'capitalized present value').... the value of the break to any given property would exactly equal the cost of the break to the government." More importantly, "The country does not become richer in any real sense when the exact same stock of buildings and land trades at a higher price."

"As my favorite economist, the nineteenth-century autodidact Henry George never tired of pointing out, land is a dead asset," Mr. Kinsley writes. "A government subsidy to, say, computer chips will at least predictably produce more computer chips. A subsidy to land will not produce more land; it will just produce higher prices. Subsidies to houses and other buildings may produce a few more buildings. But at any given time, practically the entire real estate market (unlike the market for other products) consists of pre-existing stock. Most of any subsidy simply raises the price of this stock."

WORLD WATCH GETS IT

"City Limits" is an article by Marcia D. Lowe in the Jan.-Feb. 1992 issue of *World Watch* magazine. A senior researcher on transportation and land issues at World Watch Institute, Ms. Lowe gives a thorough exposition of the many methods that have been proposed to contain urban sprawl "by filling in underused and vacant spaces... promoting business development, easier commuting, and more affordable housing."

Among the methods she considers is land taxation: "By taxing vacant land according to its true worth in the market, cities can make these parcels less attrac-

tive as an investment vehicle. Local governments typically assess such properties at far less than their market value, effectively rewarding property owners for keeping their land idle.... Cities can further spur the regeneration of their blighted land through... levying a higher charge on land than on buildings." Ms. Lowe goes on to mention the fifteen-Pennsylvania cities that are taking this approach, and adds: "These property taxation strategies would be particularly valuable in East European cities to ensure that future private development is compact."

Other articles of interest in this issue include one on Middle East oil in light of the Gulf War, the now-expanding slave trade (which "occurs most frequently among landless people on the Indian sub-continent"), and mining companies that are "Free-Loading Off Uncle Sam."

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GEORGE & THE GURU

Susan Klingelhofer of the Robert Schalkenbach Foundation has passed on to us a story sent to her by a man in Osaka, Japan, who had just learned about Henry George in an article in *Osho Times International*. Upon reading the article, he immediately contacted Ms. Klingelhofer by telephone to order *Progress and Poverty*.

Osho Times International is the organ of the guru Rajneesh, now Osho, movement. On page 25 of the December 1, 1991 issue is "The New World and The Henry George Theory", a full-page story by Swami Anand Robin, shown with a copy of *Progress and Poverty* in hand. He writes about George's masterwork: "Thirty-five years ago I was given a book. It was written by someone I had never heard of, on a subject I was not interested in. To my surprise, I read it. I have never looked at it again, am still not interested in the subject and it's dogged my life ever since - because the awful thing is, it tells the truth." The Swami makes a distinction between "pure capitalism and the Monopoly Capitalism" of the West, and endorses George over Marx. It is somewhat intriguing to find this pro-George piece in a magazine with the anti-Christian, pro-Stalinist viewpoint (so-called "Zen Communism") of Osho, who is quoted on almost every page. Contact: *Osho Times* (USA), PO Box 318, Mill Valley, CA 94942 (Tel. 415-381-9861). □