



Looking back at your February 1969 issue (letter by Clayton C. Bauer) regarding the financing of the Erie Canal, there is a joker in the pack! An act was passed in 1817 to tax lands 25 miles on either side, *but* this provision was suspended a couple of years later by law until the time when the legislature would direct an assessment to be made, and this it never did. The sad fact is recorded in *The Enterprise of a Free People* by Nathan Miller, page 73, published by Cornell University Press, Ithaca, 1962.

The Erie Canal precedent is a good one in principle, but not in performance (except that the land provision was what finally got enough legislators to agree to vote for the canal).

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The trouble with Mr. Donohue's criticism of my treating services as products (HGN Oct. p. 14), and therefore to be included in what is generally understood as wealthiness, is that he arrives at unjustified conclusions by treating Henry George's definitions as applicable at all times and places, rather than as tools developed for the specialized field of economics to be tested in everyday experiences.

George's definition of wealth as the *material* product of labor was necessarily narrow in order to depict with clarity the major economic processes. It should not be used to obscure the fact that services are produced by labor and are exchangeable in the market.

To ignore this opens the way to Mr. Donohue's claim that land used for services, homesites, etc. is not "in production," does not yield a rent and

cannot have a rental value on which the community should assess for revenue. This impractical proposition is refuted by Henry George's writings and Mr. Donohue's support for it is refuted by everyday experience.

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Clemenceau said "free trade is one of the roads to peace." If true free trade were adopted by any country land value taxation would have to follow naturally. So long as we offer preferences to certain groups there is no end to that demanded and obtained. It is the state that creates corruption and corrupts individuals. When special privileges are sought who but the state provides them? Sales, income and other such taxes are just a means of unloading on others the obligations of the land speculator who is the beneficiary of those taxes.

If I was not a supporter of the philosophy of Henry George I would have long since given up on the life prospects of the United States. It is my feeling that so long as we may speak our thoughts without the fear of being taken out and shot or jailed there is a possible chance for the country. and I think the teachings to be found in the Henry George School are the source of a real change for the betterment of the world.

My association with *Progress and Poverty* began with a famous actor who talked me into reading the book and then all of George's books, and I attended the school in 1932. But I had been a believer in freedom in its real meaning before I read George. When I was in Norway I met an Englishman with whom I was discussing free trade. He said, "free trade would be the end of all political boundaries." Isn't that what we are all looking for?

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