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AN L-YOU CHAT

A pamphlet, Property Taxation: Economic Aspects, by Prof. C. Lowell Harriss, analyzes the tax on property and criticizes present-day practice with its inconsistencies and difficulties. Prof. Harriss notes that the property tax is really two taxes - one on land and one on improvements - and he gives welcome endorsement to the proposal to shift the burden of taxation from the improvements to the land.

Insofar as Georgists are concerned, Prof. Harriss cautions: "The extravagance of the claims of some advocates of the single tax or site value taxation has hurt a good cause, namely the effort to distinguish between the economic effects of taxes on land from those on improvements."

Prof. Dick Netzer in his book, Economics of the Property Tax, has given similar qualified endorsement to LVT, along with a chiding of Georgists for the big statements they make. And we can find similar evaluations by former generations of economists, such as Robert M. Haig, Raymond T. Bye, F.W. Taussig and others.

We of course welcome any move toward land value taxation and any professional advocacy of a move in that direction. It is encouraging that there is a revival of interest in the subject today, particularly in the field of urban renewal. But we cannot deny that we want more than that - we want the abolition of all taxation save that upon land values - and we think it will do a lot more than urban renewal. Do we want, or claim, too much?

Henry George himself claimed a lot. He was looking not merely for a good fiscal system for cities, but for an answer to the problem of poverty. Did he find it? If not, where did he go wrong? He deserves a better reply than the sort of thing one can say without even studying a proposal. One can shrug off any analysis and solution by saying there is no single answer to today's complex problems.

If our professor friends think we are too extreme in wanting the full single tax, will they tell us where to stop? If a little land value taxation would be good, why not more? If taxes on production discourage production, why not keep removing them? If we can achieve the whole thing, we would be glad to accept whatever the single tax accomplishes and take back whatever other "extravagant" claims we made. But, dear professor friends, can you tell us just what will and will not happen under the single tax?

(Property Taxation: Economic Aspects is available from the Tax Foundation, 50 Rockefeller Plaza, New York, N.Y. 10020, U.S.A.)

Robert Clancy
Editor

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CONFERENCES AND RIGHTS

The October 22 issue of Liberal News Commentary, organ of Britain's Liberal Party, carried a full-page report of the 12th International Conference on Land Value Taxation and Free Trade. Reports on Australia, Canada and Southfield, Mich. were given attention, as well as Roy Douglas' history of free trade in Britain and Victor Saldji's critique of the Land Commission's Betterment Levy.

Prominent attention was given in this report to the address on Human Rights by Frank Dupuis, of which a resumé was given. Mr. Dupuis' paper was also reprinted in full in Land and Liberty (London) and the Henry George News (New York), indicating widespread interest in this important topic as well as in Mr. Dupuis' masterly treatment of it.

1968 was declared internationally to be Human Rights Year. What a year to celebrate with such a theme! Assassinations, riots, invasion of Czechoslovakia, Middle East flare-ups, civil war in Nigeria, stalled Vietnam peace talks.

An international conference on Human Rights was held in Teheran, Iran, April 22 - May 13, 1968. There was a report on it in the U.S. State Department Bulletin of September 2 (interesting date - Henry George's birthday), by Bruno V. Bitker. He observed that national interests dominated and resulted in some acrimonious disputes, among them Arabs vs. Israelis, communists vs. capitalists, etc. After weeks of wrangling, some sort of consensus was hammered out on questions of illiteracy, women's rights, family planning, freedom of expression, racial discrimination, and war - all couched in very general terms. (Not much on economic rights.) The general atmosphere, Mr. Bitker noted, was discouraging and marked by narrow nationalistic interests, and although there were some accomplishments, he commented: "Sadly, however, I have had to conclude that man has not yet reached that stage in his development where he is ready to accept the universality of human rights."

Prof. Steven Cord of Indiana University, Pa., U.S.A., has entered the Human Rights lists with a pamphlet, The Historian as Moral Judge. On rights, Prof. Cord speaks out as follows:

"Most people are willing to acknowledge a right to life, but then all the other rights flow from this basic one. If I have a right to my life, I own myself, the actions of my body are mine (right to liberty), including those actions called labor (right to labor, and therefore property).

If private property can only be justified by labor, then only those things that are the product of labor can rightfully be owned. Thus, air, sea and land are morally excluded from being made private property, but we can satisfy every one's equal right to land by requiring that each landowner pay the annual rental value of his land to society in the form of a tax in lieu of as many other taxes as possible.

Thus we can conclude that we have equal rights to life, liberty and property. These rights are by definition inalienable just as facts are by definition true... Rights can be ignored just as facts can, but that doesn't mean they don't exist all the same. A man may be killed but he goes to his grave with his right to life forever intact.

There are some who say that all rights are derived from the state, but as Henry George once said, 'they do not really think this; for they are as ready as any one else to say of any proposed state action that it is right or it is wrong, in which they assert some standard of action higher than the state.' (A Perplexed Philosopher.) The government does confer legal rights upon individuals, but we have been talking about moral rights here. Hopefully legal rights will conform to the higher moral law."

A NEW RIGHT FOR MEN AND NATIONS!

By Philipp Knab (Vienna, Austria)

Twenty-three years after World War II mankind is still far from true peace. A renewed, perhaps still worse outburst of the suicidal craze is threatening humanity, and has set aflame several spots on the globe.

Disappointment and discouragement have spread among the friends of peace all over the world, for their great hope, the United Nations, have so far, notwithstanding various important performances in different fields, proved impotent to fulfill their chief object, which is to bring about a true, just and lasting peace.

We, the advocates of peace, should not despair, however, for all that. We must preserve patience and confidence! We, the German-speaking nations, however, must do more than merely preserve patience and confidence. We must actively contribute to the new Charter of Peace. Our region of settlement is situated in the center of multinational Europe, where opposite forces meet, so we have the most to suffer from their conflicting currents. No nation or group of nations has in fact more neighbors than we. If we want to enjoy peace and security we must endeavor to find peaceful solutions to the great and still unanswered questions which human symbiosis has raised since the beginning of time, and is raising at present with unprecedented urgency. For now the question is: To be or not to be!

Principles

To this end it is necessary that as many of us as possible should have some conception of what this coexistence would be like in the times to come. We must try to find out and spread its principles.

What, then, shall the future Order of Peace be like? Let us start from the principle which at present is generally accepted, never denied, is asserted, avowed and paid homage by all statesmen, political parties, religious creeds, and proclaimed by the mass media - that all men are brethren! This implies that all men have the same claim to the earth, their common mother, to all her treasures and opportunities. It further implies that no individual or group of individuals, no people or state can claim for itself part of the earth or its surface, its underground beneath or its airspace above, without adequately indemnifying the rest of mankind for such lease or usufruct.

It further means, as a matter of principle, that every man is entitled to settle anywhere on earth and earn a living there if he is willing to pay the indemnity due to all other men for the portion of the earth occupied by him. Therefore, in principle, there should exist no impediment or restriction whatever to the migration of men and nations, no bars to immigration or emigration! Nations that want to prevent immigration of men or groups of men for whatever reasons - religious, racial or other grounds - would have to pay an adequate indemnity to the supra-national organization of humanity which is at present embodied in the United Nations.

Within each nation, the axiom that the earth belongs to all men implies that each holder of land would have to pay to the community to which he belongs - municipality, province or state - a due which corresponds to the value of his lot; but on the other hand he should enjoy the full fruit of his labor and should not be subject to any tax on it. These principles are those of the American social philosopher Henry George and of his predecessors and followers throughout the world.

Consequences

What would be the consequences of the application of these principles in the human commonwealth, internationally, nationally, economically and socially?

Let us first consider the international effects. It would mean, firstly, that those nations which at present prohibit or restrict immigration would have to pay to the United Nations, in proportion to the value of their territories, very considerable sums. The UN (a preliminary step to a future world order embracing all men and nations) would thus obtain the funds they would require in order to set up a powerful peace force, superior to those of all other states, so that they, the UN, could prevent wars between nations and maintain peace. If this order were firmly established, nations could dispense with military and defence programs of their own.

Not all nations - particularly those in possession of large uninhabited areas - would or could take upon themselves such large indemnities, but would prefer to open their frontiers to immigration, so there would be enough free land available to adjust the pressure of population and channel the movement of migration.

The social, economic and financial improvements which would come into effect as a consequence of applying the Georgist principle of taxing land values instead of human effort and enterprise, both in the national and international spheres, would act as a further guarantee for securing peaceful evolution. Thus, the three main causes of war, namely, the armaments race, the pressure of population and social misery, would be avoided.

One circumstance has to be considered: As a consequence of free migration, it is possible that a change of language and nationality in the population of the countries concerned would take place which is now prevented by frontier barriers. Will the new immigrants into a country have to accept its language and culture so as to give up their own, or should the frontiers be altered accordingly in case they gain the majority? In order to render possible a peaceful settlement, the supranational organization should arrange plebiscites, within periods of perhaps thirty years, upon request and at the expense of the population concerned, so as to find out whether an alteration of the national boundaries is desired by the majority.

A World Order

By adherence to these principles, the belligerent competition among men and nations which has occupied humanity from its beginnings and which within nations has been replaced by peaceful competition, could be directed into peaceful channels. However, competition must continue, not only among individuals, but also among nations - not as a bloody fight, but as a peaceful striving. For competition is one of the laws of nature to which all living creatures are subject.

If the aforementioned principles were put into practice, the chief problems which are tormenting mankind could at last be solved. The division of the world into two hostile camps - and with it, the splitting of such countries as Germany, Korea and Vietnam - would be overruled, if Communism, deprived of its most efficient slogans - that is, the misery of peoples in the underdeveloped countries and the spectre of mass unemployment in the apparently wealthy industrial states - would be revealed for what it is - indoctrinated slavery resulting in the lowest standard of living.

The United Nations, or whatever body would function as world government, could then not only enable the United States to withdraw from Vietnam, but could also neutralize Soviet interference in the Near East and in Asia and Africa generally. The UN would at last be strong enough to restore order all over the globe. The new world government could do more. It could apply a new and yet ancient right in line with nature and the sublimest teachings of philosophy and religion - a right which will overrule the present frontiers, framed as they are by injustice, force and hatred. An eternal right which needs neither the H-Bomb nor the Pill to secure peace and welfare for all human beings - namely, the equal right of all men to live and work on this vast, still practically empty and infinitely fertile Mother Earth!

Address by Robert Clancy at German-language Henry George Conference,
St. Gallen, Switzerland, September 3-6, 1968

At first glance, there does not seem to be much to say on this subject - but there is something to say, after all, even though Henry George does not appear to have had much awareness of German literature or economic thought when he wrote Progress and Poverty. The only quotation from a German author in that book is one by the Prussian Orientalist, Emanuel Deutsch, but it is a significant one: "They were even as we are." This refers to the people of past history and it indicates that man is the same throughout time and throughout the world. George quotes this approvingly, and indeed one of the key elements in his social philosophy is the uniformity and universality of human nature.

George does not seem to have had much familiarity with German economists. Probably, good translations were unavailable in his day, and he did not take seriously such economists as Böhm-Bawerk, Menger and Wieser. However, an Austrian economist who migrated to Australia, Max Hirsch, was a follower of Henry George, and he was also familiar with the theories of the Austrian school on "marginal utility." Though George paid little heed to this theory, Hirsch incorporated it into the Georgist system in his book, Democracy vs. Socialism (1901).

As for Karl Marx, George had a poor opinion of him - but this is more understandable, as their economic philosophies were so different. In The Science of Political Economy, George criticized Das Kapital for never defining wealth, for not recognizing natural law, for creating an "Alice-in-Wonderland" world, for proposing a society without individual rights, and for passing off as "science," a multitude of details without any guiding principles.

George's opinion of Marx was matched by Marx's contempt of George. The socialist paper Neue Zeit quoted Marx as accusing George of ignorance and boastfulness, called him a "panacea huckster," and said that George was only trying to "rescue the rule of capitalism, in fact, to rear it anew upon a firmer basis than its present one." Of course, properly understood, George would agree with this criticism.

The one German philosopher George was most familiar with was Schopenhauer. Although he disagreed with Schopenhauer's pessimism and fatalism, George found him a very interesting and readable writer. In fact, when George was having his portrait painted, he kept falling asleep, until some one thought of reading Schopenhauer aloud to him, and this kept him awake!

In A Perplexed Philosopher, George criticized the English philosopher Herbert Spencer, not only for his views on the land question but also for his "Synthetic Philosophy." As against Spencer's idea of evolution as a blind force, George much preferred Schopenhauer's theory of the collective will of animals as an explanation of evolution, and he quotes Schopenhauer's The Will in Nature extensively.

George was probably not familiar with many other German philosophers, and seems to rely on Schopenhauer for an opinion of them. Schopenhauer was not very kind to his fellow philosophers and he is quoted by George (in The Science) as saying of Hegel: "If one should wish to make a bright young man so stupid as to become incapable of all real thinking, the best way would be to commend to him a diligent study of these works." But George might have had a better opinion of Hegel if he had come across this sentence of his: "The history of the world is none other than the progress of the consciousness of freedom." George's own theory of history as expressed in "The Law of Human Progress" was very similar.

George met two distinguished Germans, both in England, and both of whom considered themselves his followers. One was the philologist, Max Müller, who was then teaching at Oxford University and who was responsible for an invitation to George

to lecture there. The other was Michael Ebersheim, leader of the Land Liga, who later translated Progress and Poverty, but who took a socialistic course.

George also befriended Baron Eulenstein by correspondence, a man who was influential in getting Leo Tolstoy converted to the Georgist philosophy. But he did not know Adolf Damaschke who led the Bodenreform movement.

The eminent sociologist, Prof. Franz Oppenheimer, was influenced by Henry George's ideas on the free market as well as on land monopoly. Unfortunately, Prof. Oppenheimer did not accept George's remedy of land value taxation, and instead thought that splitting up big estates would be enough. Prof. Oppenheimer influenced Ludwig Erhard, whose "Wirtschaftswunder" (economic miracle) was based largely on the professor's teachings, so there has at least been a partial Henry George influence in Germany's postwar development.

There are two German writers with whom I regret George does not show any acquaintance in his writings. One is the economist Johann Heinrich von Thünen, whose book Der Isolierte Staat (The Isolated State) appeared about the same time as Ricardo's work. Independently of Ricardo, Thünen worked out the theory of rent deductively by imagining a community isolated from the rest of the world. In fact, Thünen's theory of rent comes closer to George's than does Ricardo's, for Thünen took into account location as well as fertility.

The other writer I have in mind is the "dean" of all German writers, Johann Wolfgang von Goethe. In Faust, as you know, Goethe's hero is on a lifetime quest for one moment of happiness. He finally finds it in a dream of a society that is so much like George's that I would like to conclude with Faust's culminating vision:

"Ja! diesem Sinne bin ich ganz ergeben,
Das ist der Weisheit letzter Schluss:
Nur der verdient sich Freiheit wie das
Leben,
Der täglich sie erobern muss:
Und so verbringt, umrungen von Gefahr,
Hier Kindheit, Mann und Greis sein
tätig Jahr.
Solch ein Gewimmel möchte ich sehn
Auf freiem Grund mit freiem Volke stehn!"

"Yes! to this thought I hold unswerving,
To wisdom's final fruit, profoundly true:
Of freedom and of life he only is de-
serving
Who every day must conquer them anew:
Thus here, by danger girt, the active day
Of childhood, manhood, age will pass
away.
Aye, such a throng I fain would see,
Stand on free soil among a people free!"

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AA REPORT ON SOME GERMAN CONFERENCES By Gustav Bohnsack (Hanover, W. Germany)

Following the IU Conference in Wales, September 1968, there was a Conference in Stuttgart which I attended, with two special sessions: one on land-planning in West Germany, at which I gave a report on land value taxation, followed by discussion; and a meeting organized by Herbert Wichmann Verlag which is publishing my book, Society, Space-order, Town-planning and Land.

There was another Conference, held in Hanover, organized by the Union of the large West German cities, called Deutschen Städtetag. The program included a report and discussion on my book and on land value taxation.

We intend to establish a special research group with members of various academic professions and with the aim of making a draft of a law on land value taxation in the name of the Deutschen Städtetag, to be sent to the Minister of Housing.

(A report by the Urban Land Institute of Washington, D.C. concluded that North European cities are ahead of American cities in land-use planning. If they beat the rest of us to land value taxation, that will put them far ahead! - Ed.)

THE REVOLUTIONARY LEGISLATION

By W. H. Pitt (Victoria, Australia)

I think Mr. H.T.A. McGahan hits the proper note. (In the Nov. 1968 IUN, Mr. McGahan proposed that Georgists take a legal approach and frame laws that can be adopted locally.) Let us, as revolutionaries, write our Georgist legislation so that, each in our own country, we will know exactly the direction to take.

This exercise will automatically embody the best of our theorizings. It will automatically show where theory is faulty or fact not correctly appreciated.

Here in Australia, even if some municipalities, in some of the States, still assess for their revenue at a rate (or tax) related to the value of improvements affixed to the land, all municipal revenues are assessed as levies against the landholder.

Over the larger part of the continent, these assessments are calculated on figures recorded by the valuer for the value at which the land might be expected to sell; the value of improvements on the land is disregarded, educational, sporting, cultural and religious lands are exempt where not conducted for profit.

Using every avenue so as to interfere with the smooth working of what, in effect, is the Georgist system at the municipal level, opponents exploit weak spots both in the legislation and in its practical application; there is therefore need to tighten our grip in the municipal field as well as to press the reform at State and Federal levels.

(Mr. Pitt has made a draft of legislation calling for land value taxation for Australian municipalities. Though somewhat long, if there is a demand on the part of readers, we will gladly reprint it. Mr. Pitt also invites other ideas on the subject, and offers to work with interested persons on making appropriate drafts. Address inquiries, etc. to the IU NEWSLETTER. - Ed.)

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A "BOOBY PRIZE" AND OTHER IDEAS from Eric Standring (Claremont, Western Australia)

I propose that the International Union for LVT and FT make an award for the stupidest legislative act of the year - a wooden spoon or other symbolic award. The possible publicity would help to create a public image of our cause, a most desirable aim. There is no lack of material - such things as the huge payments to U.S. farmers not to grow crops, and the like. This would be a kind of Nobel prize in reverse.

Then there is the matter of the close personal link between IU members, many of whom are isolated or in small groups where it is all too easy to become discouraged. It is this personal contact which in my view is the greatest value of a Conference. The position has been well characterized by comparison to a fire that will burn well when sticks are massed together, but scatter them and they will soon die out. It is difficult to estimate the immense value of the various Georgist publications, for more than any other single factor they bind the movement together and provide valuable information to all. We ought to adopt a common badge, or for women a brooch. In these days with more people travelling about, a badge would result in worthwhile contacts which are now missed.

Then, we could save on printed matter by sending offset plates, which are light, from country to country for reprinting, with little cost. This will probably vary according to the tariff provisions of each country, which recalls us to the Customs Officers who can again be described by the older and truer title of Preventive Officer, because that seems to be their true function.

HOLDING THE LINE IN THE U.S.

November elections in the U.S.A., and other legislative events, held some challenges for Georgists. In California, there was a proposal to be voted on to limit the property tax to 1% of true value. Fortunately, this was defeated. A similar proposal for Oregon of a 1½% limit on the property tax was also defeated.

One bit of promising legislation was the adoption of California Senate Bill 443 permitting the financing of rapid transit systems by assessments which "shall be levied exclusively upon the taxable land." (Will this "permission" be translated into action?)

In Pittsburgh, Pa. the line was held, too. There was a proposal to make the Graded Tax subject to abolition by home rule. The Henry George Foundation was influential in getting this proposal defeated. Pittsburgh taxes land at a higher rate than improvements, and this system is now secure for the time being.

Southfield, Mich. - which assesses land at full value and gives buildings as much of a tax break as possible under the law - lost its Georgist Mayor, James Clarkson. It was a step up for His Honor, who is now a District Judge. Ted Gwartney (who recently got married) continues as assessor, and the system continues.

The impressive growth of Southfield (reported at the IU Conference in Wales) has been attracting wide attention. It was visited by a nationally prominent economist, Eliot Janeway, and by a committee of the Minister of Finance of Ontario, Canada. Mr. Clarkson was invited to explain land value taxation at a seminar sponsored by the Greater Detroit Board of Commerce and other groups. Perry Prentice, former editor of House & Home, visited Southfield and praised it as an outstanding demonstration of LVT.

A NEW JEREMIAH

The Biblical prophet Jeremiah warned the people what would happen if they did not follow the ways of justice. A new prophet in our midst is IU member Jeremiah F. Enright of Liverpool, N.Y., U.S.A., who also counsels people far and wide to follow justice as spelled out by Henry George.

Jerry's correspondence is voluminous. He has written to many prominent persons expounding land value taxation and has received many replies. Among those who have written to him expressing interest in his ideas are Senator Jacob Javits, the late Senator Robert F. Kennedy, the Controller and the Director of the Budget of the State of New York, Ray Bliss (Chairman of the Republican National Committee), the Manager of the General Electric Co., former Vice-President Hubert H. Humphrey, various assistants of ex-President Johnson, George Romney (now in President Nixon's cabinet), George C. Wallace of Alabama, the late Michael J. Quill (International President of the Transport Workers Union), the Mayor of Syracuse, Bishop Fulton J. Sheen, the Assistant Administrator of the UN Development Program, and the Secretary of State of the Vatican on behalf of His Holiness! Also scores of congressmen, businessmen, professors, editors, clergymen and others. If these good people haven't gotten the message of LVT, it isn't Jerry Enright's fault!

The prophet was finally recognized in his own home. An article in the Syracuse Post-Standard quoted "the economic visionary" Jeremiah F. Enright on his explanations of land value taxation.

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THE CHRISTIAN CENTURY, a leading American Protestant publication, had in its issue of October 23 a leading article by Elizabeth Read Brown (wife of Prof. Harry Gunnison Brown), "Aid to Housing for the Poor," with the subtitle: "Land value taxation has proved efficacious elsewhere, but it is seldom considered in our search for panaceas." Letters to the editor in a subsequent issue expressed much interest in the ideas expressed.

A LETTER TO THE PRESIDENT OF THE REPUBLIC OF KOREA

From Rev. Archer Torrey (Hwangji, Korea)

Your Excellency:

Please let me be bold enough to congratulate you on your recent trip to Australia and New Zealand. I have long hoped that the Republic of Korea would establish closer ties with our neighbors from those countries, as I have been convinced that my own country, the United States of America, differs so vastly from Korea in nearly all the conditions of its life and economy that it has been impossible for our advisers to be as useful as they would like to be. On the other hand, there are many parallels between New Zealand, Australia and Korea, and advisers from those countries should be able to render a great deal of very practical help.

In particular, I have been interested in the fact that both New Zealand and Australia have taxation systems based on what is usually referred to as "Land Value Taxation," and that this has been one of the most important reasons for the remarkable development of the economy of that region and its low rate of unemployment (this is also true of Denmark, a country with even more parallels to Korea). I believe that the development of Korea is seriously handicapped by a tax system which encourages land speculation and prevents rational use of the land in the rural areas or the space in the cities. This, in turn, causes unemployment, while the constant bidding up of land prices causes inflation. If Korea were to adopt the system of taxation now in use in New Zealand, I believe that in just a few years unemployment would disappear completely, the value of the "won" would increase, and the government would have generous funds available for public works of all sorts from schools to highways.

I once talked at some length with a United Nations official in Korea who happened to be a native of New Zealand, and suggested that adopting the New Zealand system of taxation would solve most of Korea's economic problems. He agreed that it would, but he replied, "It would take political courage of a high order." I believe that your Excellency has precisely that high order of political courage which this country needs, and I pray daily for God's guidance for you and his blessings on you and on this country which I have made my adopted home.

Respectfully yours,
(Rev.) Archer Torrey

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MAKE IT SIMPLE By T.M. Edwards (Sydney, Australia)

The contribution "Tangled," by Paul Knight (March 1968 JUN) made good reading from my point of view. Neither Mr. Knight nor I can accept the premise that "men have equal rights to land only where production takes place." I am reminded of a public meeting in a Sydney suburb where angry but ignorant people stormily protested about paying rates (local taxes) on land allotments which were not producing.

My hobby is taking propositions and translating them into language fit for junior high school pupils. Here is my "translation" to illustrate the problem of whether home sites and vacant land allotments should pay rates in the ordinary way:

"The firm of Banks & Co. hires out cars. Some hirers take the cars to help them in their productive work, while some hire them for pleasure, and an odd few hire a car and leave it parked in the front drive unused. Should hire price be paid only by those using the cars for production, and waived in the case of the non-producing clients, or should all those who take possession of a car at all be charged the ordinary market rate hire price?"

The answer to the above question should be a model for the answer to the question, Which land should be taxed, and which should be exempted?

A THOUGHT OR TWO ON GOVERNMENT By Nell Sayre

A child, sent to the corner grocery to get some food, becomes government as soon as coins are put in its hand. If it is good government it spends for food the amount that was allotted for that purpose, and the penny or so allotted for sweets in payment for its exertion, is all that it spends for sweets.

If it is bad government it takes some out of the food allotment to buy more sweets, and the food supply comes up short. In the case of the child we can give it a spanking, but when the same situation occurs with an official elected just as carefully as we selected the child, the only way to spank is to turn him out of office.

This is where there is a working elective system. Where there isn't, the official, such as Louis XVI, gets beheaded. That is, eventually. The slaves' rebellion in Rome was exactly the same thing, as has been all mob violence before and after.

Then there is the thought that the person or persons who put wealth into a child's hands, or into those of a public official, are really the "government" themselves. They pass the management of their affairs to the child, or the official. Before doing so they governed their affairs themselves, and were the government.

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IS INFLATION NECESSARY? By Reg Smith (London, England)

In Protection or Free Trade, Henry George stated that the idea that paper money cannot properly fulfill its functions unless an equivalent of coin is buried somewhere, is a delusion. Without distorting his basic argument, one can progress to the view that a gold-backed currency, although desirable, is no longer necessary as a guarantee of sound money.

Obviously, America, Britain and most of Europe (excepting France) have ceased thinking about a return to the gold standard. Does it follow in lieu of this safeguard, that no further inflation of the currency should take place? On the contrary, might not an absolute fixed money supply lead to further complications?

For example, individual incomes, within limits, increase as production increases, and the only way this could be enjoyed in practice would be for paper money to increase in value. In turn, this might lead to a reduction in demand, causing unemployment or temporary fluctuations in price, and demands for more state interference. Also, those who held deposits in cash would benefit from an undeserved rise in their value.

Perhaps money ought to be proof against deflation as well as inflation, and a possible solution might be to allow a gentle increase in money supply corresponding to the increase in production. The individual would benefit from a stable currency, as well as from a reduction in taxation which would be appropriated by the government as it is inflated.

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NEW ERA for November 1968, edited by Kul Bhushan of Nairobi, Kenya, gave the following report: "The Henry George Scholarship - At the Henry George International Conference in Wales, the delegates decided to award a full year's Form One Scholarship to a deserving student at New Era College. This Scholarship is named after the famous American thinker and economist who wrote many books including the world-famous Progress and Poverty, which presents an answer to the economic problems of the world".