

AN I-YOU CHAT

We have had numerous interesting comments in the IU NEWSLETTER on the reasons for the lack of substantial progress for the Georgist movement and for land value taxation. Our ideas have been preached for 90 years, counting from Henry George's Progress and Poverty, and here we are, for the most part, unhonored and unsung, with ourselves doing most of the weeping.

Is it possible that we are wrong and that is why the world has paid us so little heed? But in thinking and rethinking the matter through, we cannot find anything wrong with our premises, reasoning and conclusions. Nor have successful refutations been launched against us.

Are we too peaceful and reasonable? Others have enforced their demands through aggressive and violent means, and have thereby gained more concessions than we have. Yet ours is a peaceful and reasonable philosophy and we cannot get ourselves to abandon means that are consonant with the philosophy.

Our trouble may be that we have a different "Weltanschauung" (world outlook) than most philosophies prevailing today. As we explain our proposals, which seem simple and self-evident to us, we may not realize that they depend on a viewpoint, on premises and an analysis that are not widely accepted.

Ole Wang of Norway writes: "In return for the text of a papal encyclical I gave a Roman Catholic clergyman a copy of The Condition of Labour. He was evidently not interested and said there is no by-passing Armageddon."

This is an example of a world outlook that precludes even initial consideration of the Georgist philosophy. Those who are committed to other outlooks - for instance, socialist and communist - have their ears closed to our message. (Many who shun socialist labels are firmly convinced that government has both the duty and the power to solve all our problems.) Equally deaf to our ideas are many who are of the unalterable opinion that by hard work and perseverance anyone can succeed and the poor have themselves to blame for their poverty.

When we consider the gigantic forces - and the inertia - arrayed against even any preliminary look at our philosophy, our puny efforts to reform the world may seem laughable. Yet - I dare to say it - we are right and they are wrong. The still small voice of truth must be kept alive and be ready for healing the world when all else has failed.

Robert Clancy
Editor

NEWS AND MESSAGES

It is hoped that the next Conference of the International Union will be held in 1972. Suggestions for a venue for this Conference are in order. At the 1968 Conference in Wales, the following suggestions were made:- Ireland, France, Netherlands and Kenya. Please send your suggestions, giving specific reasons for your choice to:

The Secretary, IULVTFT
177 Vauxhall Bridge Road
London S.W.1. England.

KUL BHUSHAN (Nairobi, Kenya) wrote from New Delhi, India: "After EXPOSing myself to Japan, I plane-hopped all over the Far East from Seoul to Bangkok before arriving here by somehow keeping away from hi-jackers. This trip has added a new dimension to my background and thinking. I have also been able to take the first step on a road of a thousand miles in fulfilling the last wish of my late father, to complete his book Gita in the Nuclear Age, and to visit Hiroshima to see the effects of the atomic holocaust. Numerous press stories have appeared about this in Japan and here in Delhi. I have also been interviewed on T.V. All this has given wide dispersal of my father's ideas and I hope will motivate me in continuing this task."

DAVID B. ASCHER, after many years of service as Registrar of Lands in Haifa, Israel, has retired and says he can now devote himself to "simply thinking." He wants to follow Voltaire's advice, "Let us cultivate our garden," and hopes to introduce rating reforms in some Israeli municipality.

PETER MIDDLETON has retired as Editor of Good Government and has moved to Norfolk Island. The new home of the Middletons is "located on a ridge commanding a magnificent sea-and-landscape looking mainly eastward across the wide and blue Pacific. It is actually a paradise in climate, scenery, bird and plant life, fertility, and peace and quiet." New editor of Good Government is Bernard Donohue.

COMMITTEE COMMENT is the name of a new bulletin published by the Committee for Better Cities, Box 292, Detroit, Mich. 48231, USA. In its drive for memberships, the Committee picked up two distinguished members: Judge James Clarkson and Prof. Daniel Fوسفeld.

PAVLOS GIANNELIAS (Lyon, France), still active in his 80's, attended this year's Esperantist Conference in Austria and took the opportunity to do some Georgist expounding. "But," he says, "it is not easy to get leaders in any country to understand the importance of our ideas."

NEW ADDRESS FOR IU NEWSLETTER

Room 462-A, 55 W. 42nd Street.
New York, N.Y. 10036,
U. S. A.

JOSEPH S. THOMPSON

At the age of 92, Joseph S. Thompson died in San Francisco, Sept. 17, 1970. He was President of the International Union for Land Value Taxation and Free Trade from 1959 to 1968, then President Emeritus until his death.

A prominent business man and civic leader, Mr. Thompson was a Georgist of long standing. He was especially renowned for his appearances at conferences and dinners and he had the ability to expound land value taxation clearly, with eloquence and wit.

Mr. Thompson was also an accomplished writer. His books include More Progress, Less Poverty, a businessman's condensation of Progress and Poverty; and Taxation's New Frontier. Up to the end, he was working on a manuscript entitled The Pre-Posthumous Papers of Thompson - a Partly Truthful Biography. Among his many pamphlets was The Abolition of Poverty published a few months before his death (noted in IUN No.12).

Mr. Thompson was President of the Federal Pacific Electric Co., and as such was member of the National Association of Manufacturers. There he locked horns with Prof. Harley Lutz, a well-known authority on public finance, over the single tax.

Among the numerous organizations in which he had a leading role was the influential Bohemian Club (of which Henry George was one of the founders). Mr. Thompson was also President of the Henry George School of Social Science in New York and in San Francisco.

He is survived by his wife Germaine who continues many of his interests.

A warm-hearted, versatile and able man, Joe Thompson had leadership qualities that inspired confidence. His high-mindedness and affectionate sense of humor made him a memorable person who shall be missed and not forgotten.

His sister, the noted authoress Kathleen Norris, said of him, "Enough to say that he was born strangely wise and strong and philosophical and that he never failed us; that there was never anything but confidence and laughter where he was."

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Two other recent deaths were:

ALBERT PLEYDELL, President of the Robert Schalkenbach Foundation, on November 1, 1970, at the age of 65. Mr. Pleydell had served as Commissioner of Purchases in New York City, under Mayors LaGuardia and O'Dwyer. His father, A.C. Pleydell, was also a noted Georgist who collaborated with Lawson Purdy in gaining assessment reforms for New York.

MILTON BERGERMAN, Chairman of Citizens Union of New York, on Sept. 7, at the age of 67. Mr. Bergerman was one of the original group of students of Oscar H. Geiger, founder of the Henry George School of Social Science.

NOBEL PRIZES AND FUNDAMENTALS

by

OLE WANG (Osteras, Norway)

"Unless its foundations be laid in justice the social structure cannot stand." So wrote Henry George. In our age the structure is global and the solution of the problems must be sought globally.

No one has more ably pointed out the difference between the laws of production and those of distribution than has Henry George in Book IV Chapter IV of The Science of Political Economy. Current "economics" seems to be interested mainly in production. Witness the panicky sentiments whipped up over the "population explosion" and the attempts at staving off its consequences by "family planning." In some places more positive ways are sought by increased production. But where the indispensable natural factors are monopolized, it will mean only a short respite while the "progress" is being absorbed into rent and "poverty" remains as before.

As an instance of how methods of increasing production are hopefully greeted can be mentioned the award of the Nobel Peace Prize for 1970 to an eminent plant biologist for his wonderfully successful work in creating new varieties of wheat with a much higher yield. At the beginning of the 19th century, T.R. Malthus scared the world with his theory of population, for which even a true liberal like John Stuart Mill fell. Henry George refuted it and subsequent events showed its absurdity so that it was outmoded for some time. It had a come-back as "Neo-Malthusianism" for some time, and now it has turned up again as an "explosion." It is a good sedative remedy against qualms of social conscience, because it makes politicians and others believe that the social and international evils are consequences of immutable laws, whereas if you look at it as something that can be changed by human effort, mankind can be made really free to pursue happiness. No more encouraging is the awarding of the Nobel Prize in Economic Science to Prof. Paul A. Samuelson for his work - which is technical rather than based on fundamental principles.

Had there been a Peace Prize at the time of the Industrial Revolution it would no doubt have been given to James Watt. His invention enormously increased wealth production and people were with apparent good reason expecting the "golden age" - but after monopoly of natural resources had reasserted itself, we instead got the "bleak ages" in which we still are. True, the poverty is not any longer everywhere of things material but of things spiritual, and of liberty. It is against this that youth is fretting.

It seems to me that we are at a crucial point from which a really new departure could be made. In terms of technique and communication the world is really small, and the solution of its problems feasible. The strife going on is really one of ideologies. There is a common denominator from which a thread of pacification could be spun. This common ground is the recognizing of the fact that the Bounty of the World is the gift of God to all mankind and cannot be monopolized by some few who can demand tribute from the others for access to it.

LVT IS ALIVE AND WELL IN AUSTRALIA

b y

S. GILCHRIST (Sydney, NSW, Australia)

In his articles in IUN Nos. 11 and 13, Mr. E.P. Middleton is of course correct when he suggests that the introduction of land value taxation will not cure all our economic ills; but then he cites "inflation" as the "main enemy" without providing adequate reasons and without giving more than vague generalisations as to what might be done about it.

Henry George proposed "to abolish all taxation save that upon land values." Inflation is merely one of the types of taxation which must be eliminated! It would be better if we called it "currency debasement" instead of "inflation" which is a misty sort of term. Currency debasement has been practised by many governments throughout the ages as a means of providing themselves with purchasing power, credit or money, by issuing various tokens, printed notes, treasury bills and book entries. The increased supply of such money reduces the purchasing power of existing money and robs the holders of money, those who have loaned money to the government, and others.

The need for this sort of revenue collection arises from the neglect to use the just and economically sound revenue from land tax and from uneconomic spending by government.

LVT Has not Failed

Mr. Middleton's claim that land value taxation has failed in Australia is incorrect. It is a simple fact that LVT has been used exclusively as the one form of revenue for local government in Queensland and New South Wales for over half a century and its use is becoming widespread in the other States. At a rate of about 2 to 3 cents in the dollar some 25 per cent of the site rent is thus collected. This simple direct form of taxation is accepted as reasonable and just by the vast majority. There are a few vocal landowning speculating interests which oppose it. Administration is simple and straightforward and site valuation appears to be done efficiently with reasonable accuracy. The extremely few protests do not seem to arise because of any tendency to value low and "safe." Valuations do lag somewhat behind real price levels because valuations are done about every three years. The valuation changes therefore are sometimes in disturbingly large steps. Councils tend to reduce their rates with a new valuation and then to steadily raise them till the next valuation. But these are trivial faults.

The land tax has never been applied by State and Federal governments in a satisfactorily uniform manner as there have been exemptions at below set values which were quite high and many special exemptions. Nevertheless there has been some land value taxation. Currently the State of New South Wales collects about \$30 million per year. This is not large compared with the other taxes it collects (\$200 million) and the grant it gets from Federal taxation which does not include land tax. The Federal land tax was abolished by the conservative government some twenty years ago. However, in the Federal Capital Territory itself there is leasehold tenure of all sites although the Government's rental charges are well below the real market trends.

The continued development and redevelopment of the city and suburbs of Sydney, a good standard of living, close to full employment of people and resources, are not unassociated with site rating; and conditions compare more than favourably with perhaps anywhere else in the world.

Unfortunately, there are strong tendencies to currency debasement, high taxes on production and exchange and subsidisation of many industries; and also efforts to remove site taxation. In this we are retrogressing and it is up to Georgists here to combat it.

A Rose by Any Other Name

As for the various proposals to substitute some other term for "land value taxation" - what does it matter what it is called so long as it is collected - rent, rental, economic rent, land tax, site tax, duty, or a rose by any other name; and so long as the charge or fee or whatever is made in direct relationship to the market value of the privilege of using the site; and the Acts of Parliament are sufficiently precise and the valuations are made with integrity and adequate frequency?

The partial applications of site taxation in Denmark, Australia and New Zealand show strong indications of being of considerable benefit in comparison with the lack of site taxation in many countries. We are better off for some rather than none at all, and there is proof that the system is feasible and acceptable. This is a first step in education towards further application. We are definitely not off the track in Australia in that respect.

If we can get 85-90 per cent of rent collected, the main benefits will be achieved in the form of removal of speculation, the efficient use of sites and incentive to full opportunities at marginal sites allowing wages to rise.

The first 5 per cent of rent collected for revenue is the most important. Each successive 5 per cent does not do quite as much; it has a "diminishing return" effect. However, although in Australia roughly 30 per cent of site rent is collected, it is not enough. Effects of currency debasement, subsidized immigration, with public works lagging behind needs, and various zoning regulations, all cause continued land speculation. Actually there is a shortage of developed land.

Land tax should be intensified, made uniform and exemptions removed. What we require is a steady increase in the rate per dollar by 1 or 2 cents each year for several years, and then increases of about 3-4 cents per year till a final rate of 50 cents per dollar is reached. This would collect about 85-90 per cent of rent. It would leave perhaps 10 per cent of rent (or 10 per cent of "untaxed land value" as land price) with the owner. This is what George suggests so practically.

It would be extremely difficult to separate land and improvements if 100 per cent exactitude is specifically sought, but by steadily increasing the land tax we can approach the feasible reasonable maximum.

AN INTERNATIONAL CHALLENGE By PHILIPP KNAB (Vienna, Austria)

It strikes me that Georgism needs an extension of its principles from the national to the international scene. The fundamental axiom that the globe belongs to all men and cannot be occupied by any one of them or by groups, whether they call themselves nations or states, without duly indemnifying the rest of their fellow men for such occupation or usufruct, must be brought home to all peoples, to all statesmen, and last but not least, to all Georgists.

The United Nations have recently celebrated their 25th anniversary, but their Charter wants mending. They should awaken to the sense of their supremacy in respect to the earth's ownership. To whom does the bottom of the sea, the coastal waters, the air space, the land, indeed the whole of nature belong, if not to all of us? The United Nations should jealously guard this ownership against all encroachments from any state or nation as they are the trustees of mankind pending a further development. It certainly looks Utopian for them to claim that right at present, but nevertheless such a standpoint should be ventilated with all due vigour, for it will afford a stepping stone to the future.

What are all the historical declarations of freedom and independence of the United States and France, or the Greek and Christian traditions, other than the thoughts of individuals which have been adopted by millions as eternal truths afterwards? I have just read a history of the Pan-Slavic movement by a Zionist whom I met as a prisoner of war in Siberia, some 50 years ago. He became an American professor of history later in life - I hope he is still alive - and he collected and used heaps of books and essays describing the growth of this originally negligible and fantastic creed which nowadays is one of the dominating forces in the world. This shows the power of ideas, although nationalism must be limited by the rights of other nations. Will not Georgism, which can be adopted wholeheartedly by every well-meaning person as a fair proposition finally win the support of the majority of mankind?

NO NEED FOR UNREST By FREDERICK DYER (Gunnislake, Cornwall, England)

The masses realise that something is wrong with society and its set-up but cannot see how to free themselves from the tangle we are all in. I feel it is urgent for all sane people to get together and apply their power to avert a world catastrophe. They only need to study Henry George.

George wrote Progress and Poverty in 1879 (the same year I was born), and his remedy has since been widely propagated. One of George's followers, C. LeBaron Goeller, of Endwell, New York, published many tracts, and in one of them stated that there was no need for America to continue in a state of unrest, it only had to apply the remedy George gave; and that it had only itself to blame if it neglected this opportunity. I would like to obtain a copy of this tract.

(If any readers have copies of the above-mentioned tract, or any other of the late Mr. Goeller's tracts, please write to the IU NEWSLETTER. - Ed.)

Many cities and counties in California have undergone the same kind of assessment equalization that is reported of the town of Clay, N.Y. in the "I-You Chat" of IUN No.13. We too have assembled some lessons from the experience.

Increased land assessments (by which we mean increases in the values subject to taxation) do not increase the taxes of residents as a class nor even of property owners as a class. The assessor doesn't tax anybody. He just apportions the total tax load among property owners. When the new assessments go into effect, some property owners pay more, others pay less. So 800 per cent assessment hikes on land values are good news for the many property owners whose valuations have been more nearly in line with market values all along. Their taxes will come down at last as the hitherto undertaxed land begins to bear its fair share of the city's taxes.

The farmers' complaint that their land is not being used for industry is familiar but irrelevant. The ad valorem principle calls for taxing the land according to its worth - that is, on the expectation of what it would sell for. The growing departures from that principle constitute a regrettable trend toward the British system under which land users pay the rates and idle holdings are exempt. They deserve no sympathy.

The complaint that the change is too sudden, after "20 years of neglect," is simply an admission that they have been getting favored treatment for a long time. Would they have less to complain of if their assessments had been raised little by little over the past 20 years? If their illegal under-assessment had gone on for 100 years, would they demand an even more gradual resumption of fiscal responsibility? The more gradually as assessment roll is restored to the equality required by law, the longer the majority of property owners will continue to be overburdened.

The furious reactions of a few landholders who after 20 years of favored treatment are at last called upon to pay taxes on the same basis as other property owners is not a "public reaction" but the shriek of wounded privilege. City fathers who hope to get re-elected should carefully note the difference.

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("I had rather be right than President," said Henry Clay - but the town of Clay had rather have low than right assessments. According to information sent by Jerry Enright since IUN No.13, the assessor who upped the Clay assessments has resigned under pressure and the town has backed down to a 15 per cent increase. A nearby town, Skeanattles, has meanwhile achieved assessment at full value. How did they manage it? The economics of 100 per cent assessments is sound; the problem is a political one - how to get it through. We have been right for a long time. It is time for us to be both right and President and we have to catch up on lessons in that direction. - Ed.)

SELFISHNESS VS. ALTRUISM

By FREDERICK J. AULD (Tasmania, Australia)

For generations it has been part of our cultural heritage that children be taught the lesson of the Good Samaritan. This has been extended to mean that each of us is under an obligation to each other.

In one word, this attitude may be called "altruism." It is advocated by the church, the state and by the left. So universal is its acceptance that capitalists and other men of private enterprise heed it as valid.

But it has no validity in a natural society as conceived by Henry George. He wrote, "every man seeks to satisfy his desires with the least exertion." All living things have one obligation and that is to look after themselves, otherwise they will perish. Involved in this is a biological obligation to the offspring until the latter reach such an age that permits them to become self-supporting. Only men, with that unique tool, the thinking mind, may choose to enter into obligations with others of his species should it suit him to do so. But the choice rests with the individual. In no circumstances are obligations inherent.

The concept of freedom (freedom of choice) has no place for altruism. A man is not free if he has "un-chosen" obligations and responsibilities to the community in general. Capitalism, or laissez-faire, demands from each according to his ability, to each according to the market price of his contribution. Responsibility for performance rests with the individual himself. The man who does his job well, who is proud of his work and himself, who regards the full market price for his output as his own by right, is a happy man and a desirable citizen.

Altruism is one of the few remaining "sacred cows" in the modern world of rapidly changing conventions. Few dare to attack it. Yet in my opinion it is a huge boulder which blocks our path in the attainment of the implementation of our principles. Whilst this attitude endures, the task of the socialists is made so much easier. Their platform is built entirely on the irrational, anti-natural premise of altruism. Their "good guy," Robin Hood, was the inspiration for the modern bureaucratic state.

We find ourselves in a time in which the socialists are continually making gains. The major political parties of most western countries are either right-wing socialist or left-wing socialist. It is just a question of how much "redistribution of income" is acceptable at the particular time.

I hold then that we will have little effect on the unknowing by waving LVT in front of them. We must be aggressive in attacking the fundamental false premise, altruism. We must be proud that Henry George envisaged a society which safeguarded personal profit - a just society.

I refer the reader to the American philosopher Ayn Rand, and in particular her novel, Atlas Shrugged, for a comprehensive treatment of this viewpoint. In my view, Ayn Rand has done for philosophy what Henry George has done for economics.

THE SINGLE TAX IN 250 WORDS

(Back in 1912 the Manhattan Single Tax Club offered a prize for the best 250-word definition of the single tax. The winner was Gaston Haxo, a young and new convert to the cause. Mr. Haxo, author of The Philosophy of Freedom (1941), is now in his 80's and living in Florida. Here is the 1912 essay.)

The purpose of the Single Tax is not merely to change the present system of taxation, but to abolish private ownership of land and land speculation, which are responsible for industrial depressions and the poverty and vice of the century.

We Single Taxers hold that all men are born with equal rights to life, and since men can only live by using the earth, they must have equal rights to its use, and the land of the country must be the common property of all the people. As it is today the land is held by the few and the rest of us are compelled to use it on their terms, and give to the owners the greater part of the fruits of our toil for the privilege of existing. The right of private ownership can only apply to things produced by human efforts, and that right we regard as sacred. As to land, no man made it, but every one must depend upon it for life, and therefore we say that no man has a better right to it than another.

Land cannot be divided equally, therefore, the only way to secure to all the people their share of the common heritage is to make every user of land pay into the public treasury the rent of the land he occupies, in the form of a tax, and since this annual value of land will suffice to run city, state and national government, we propose to abolish all other taxes now levied upon the products of labor.

This will enable the individual to retain the full value of what he produces, while by placing into the public treasury the values which are and only can be created by society, the individual will receive in the form of public benefits the full returns for what he has created as a member of the community.

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THE CAMBERWELL-HAWTHORN SYNDROME By E.P. MIDDLETON
(Norfolk I., Australia)

Mr. W.H. Pitt ("Somebody's Facts," IUN No. 13) should stop harping on his "Camberwell-Hawthorn disparity" syndrome. He has forgotten that he tried this on me about eight years ago during a visit to Melbourne. The impact was nothing startling then and no doubt would be little more so today. Obviously, when homeowners and shopkeepers are freed from the necessity to pay a tax on their improvements they are going to improve the whole neighbourhood as compared with that of people not so favoured. So what? How important is this in the context of a solution of the universal malaise, the economic sickness from which the whole of Australia (including Camberwell-Hawthorn) and the rest of the world suffers? Mr. Pitt is fiddling while Rome burns.