

# More Valuable Than Gold

*A radical speech by the former Senator William F. Knowland (Republican) during the recent election campaign in California*

**P**RACTICAL application in California of Henry George's proposal to tax land values and exempt the results and rewards of human effort have watered vast arid regions, transforming them miraculously. Last December the *California Law Review* commented: "It is certain that both in area and in accomplishment the Irrigation Districts of this State dominate. . . . The legal formula [of taxation] for these organisations was of infinitely greater value to California than the discovery of gold. . . ."

It goes almost without saying that local Georgeists have exploited this quotation to the full. When a leading Conservative politician does the same, that is news indeed. Yet that is what happened on October 28.

The unsuccessful gubernatorial candidate, Senator William F. Knowland (Republican), in a trenchant speech at Burbank, dismissed his Democratic opponent's policy of looking to the Federal Government to provide the additional water supplies which California needs for its rapidly increasing population. Recourse to Washington would lead to further inflation, higher taxes and increased state debt.

In barely a hundred years men with faith, courage and a new vision had transformed California from a land of vast Spanish land grants into the leading farm state and one of the leading industrial states in the U.S. For more than fifty years technical experts from throughout the world had come to see the success story at work.

In 1922, a decade before the New Deal, the farmers and city dwellers within the Modesto and Turlock irrigation districts built what was then the world's highest dam—the Don Pedro. Today it was all paid for, the property of the people. "Together with its vast complex of irrigation and electric power facilities, it brought about the transformation of Stanislaus County from a vast sterile tract of 81 played out grain farms into a community of seventeen thousand family farms. In just one generation, the self-reliant citizens of just one California community worked the miracle that today makes Stanislaus County second to none in the whole nation in terms of annual cash farm income. Let me remind you, too, that there are in California today more than 100 of these resourceful, self-reliant, home-rule instrumentalities reaching from Mexico to the Oregon border."

Mr. Knowland said that to look to Washington to finance additional water supplies, as his opponent advocated, would mean higher taxes and "perhaps the hiring of an extra shift at the Bureau of Engraving and Printing to run off more and more dollars that will buy less and less every time you go shopping." Neatly expressed. Politicians usually are chary about revealing the authorship and technique of the debasement of the currency which is politely called inflation.

"The state law that sparked the California success story," Mr. Knowland said, "has been a powerful engine for the creation of wealth. California's discovery of this legal formula has been more important to the growth of California than the discovery of gold a century ago. This remarkable law works as a tool instead of a weapon. It taxes people into instead of out of business."

Mr. Knowland said that the Weimar republic in Germany after the first world war had collapsed because the Berlin government had lavished vast sums on public works and subsidies of many kinds, debasing the currency to pay for them, until money had become worthless. "The German people by and large did not recognise inflation for what it was. They did not complain that money had become cheaper and cheaper. They only complained because prices kept going higher and higher. That is why I am speaking so frankly today."

It was important to renounce the false assumption that a powerful centralised government could tax a country into prosperity. It was nonsense to believe that a concerted housewives' boycott would bring down prices. The first thing to do was to bring down taxes. "All that I advocate in this battle to halt inflation—to stop the high cost of living—is to stop the high rate of government spending. The Tax Foundation recently calculated that the average man pays a third of his income in taxes, most of which are hidden in the cost of what he buys. *Without right thinking on this question, there can be no correct action. And where there is right thinking, right action will follow.*"

Those resounding concluding words will have a familiar ring for many of our readers. Those who do not recognise them have still in store the pleasure of reading Henry George's *Social Problems*.

## Book Notice

**T**HE long awaited Concordance to Henry George's *Progress and Poverty* is now ready, waiting to go on to Georgeists' bookshelves this Christmas. It has been compiled by Miss Helena Mitchell McEvoy, of Chicago. Words are listed in alphabetical order, and where repetition occurs, page sequence is followed. Each word appears between its adjoining two words, which three-word sequence aids in locating the reference sought. The 729 page book has a hard binding in blue cloth with gold lettering. Its dimensions approximately match the Robert Schalkenbach's 50th and 75th anniversary editions of *Progress and Poverty*, to which its page and line index applies.

Price \$5.35 from the Concordance Commission, 307 North Belmont Avenue, Arlington Heights, Ill., or from the R.S.F., 50 E. 69th Street, New York, 21, N.Y., U.S.A.