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P. R. STUBBINGS

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## The Tenth International Conference

Of the International Union for Land-Value Taxation and Free Trade

BY EVERY TEST, the Conference was a resounding success. The lakeside venue with opportunities for yachting, rowing and swimming set in beautiful parkland, and the glorious weather added a holiday atmosphere to the occasion. But despite these and the many other attractions Hanover offers, attendance was well maintained at the many sessions in the full and varied programme. This in itself is a tribute both to the serious-mindedness of members and to the skilful way in which authors presented their papers.

More than one hundred members from fourteen countries were present. Many more would have been there but for business, domestic and similar reasons. By letter and cable they sent greetings and assurances that they were with us all "in spirit". Our German friends were greatly heartened by the sudden influx of overseas Georgeists and by the respectful attention the German press paid to the Conference and its proceedings.

Even more encouraging to them, and no less to other members, were the friendly telegrams received from many notable Germans, including the President of the Federal Republic and members of the Government, and a number of organisations including those representing farmers, taxpayers and co-operators. We were all delighted by the presence as observers of experts in town planning, local government and taxation and cognate fields from many West German cities. They were guests of the Union, invited by one of its German vice-presidents, Dr. Martin Pfannschmidt. His paper, "Will West Germany Introduce Land-Value Taxation?" was of particular interest for them.

A historic event, deeply charged with emotion, was the launching of a new version of Henry George's *Progress and Poverty* during the Conference week. In two short ceremonies, first at the City Hall and later at the Farewell

Dinner, Miss V. G. Peterson, executive secretary of the Robert Schalkenbach Foundation, New York, presented specially bound copies to the Mayor of Hanover and the City Librarian. Pulses quickened and the imagination soared with visions of the potent influence for good this book may have on events in Germany and the future history of Europe and the world.

MR. ASHLEY MITCHELL, joint honorary treasurer, formally opened the Conference on the Saturday evening. Flanking him on the top table were Dr. Viggo Starke (Danish Cabinet Minister), Mr. Joseph S. Thompson (San Francisco), Mr. Johann Hansson (Sweden), Mr. Dan Børner and Mrs. Caroline Børner (representing the Danish Henry George Union), Mr. Erich Zincke (Hanover), Mr. W. E. Bland (England, joint honorary treasurer) and the three English joint secretaries, Messrs. V. H. Blundell, V. G. Saldji and P. R. Stubbings. Unfortunately the plane carrying leading American personalities was delayed.

Welcoming members with Yorkshire warmth and wit, Mr. Mitchell regretted that he had missed the first international conference—at Ronda, Spain, in 1913—but he had attended all the others from Oxford 1923 onwards. Was this a record, he wondered. He stressed, as did others who followed, that the importance of the conference was not to be measured by the number present. Union members were V.I.P.s—very important persons—for they knew what made the world tick, what had gone wrong with its mechanism, and how to put it right. Their numbers and influence were increasing. On the other hand, apart from a few notable exceptions, statesmen were struggling to keep abreast, going from one crisis to another, resorting always to superficial palliatives and never making the slightest attempt to get down to root causes and basic problems. There was only one solution to the many prob-



Photo: Herbert Grohe

**Lakeside Terrace of the Maschsee Restaurant where the Conference met.**

lems which perplex the peoples of the world—freedom. There must be freedom to produce and freedom to exchange. Either that, or liberty would perish and the forces of darkness would eclipse civilisation.

Voicing the thoughts of all who had been privileged to know him, and of those who knew only of his work for social justice, Mr. Mitchell paid tribute to the late Judge F. A. W. Lucas. His death a few weeks earlier (as he was on the point of leaving Johannesburg for Hanover) had robbed the Conference of its former President's genial wisdom. He had been spared long enough to write, on his death bed, his address, *The Challenge of World Problems*. It was wonderful to have this, Mr. Mitchell commented. He urged members to secure its widest possible circulation. With the late President's name he linked those of an earlier President, Mr. Bue Bjørner of Denmark, and of Mr. A. W. Madsen, secretary of the Union up to his death in 1957.

**CORRECTION** — Review, August p. 139, para 9. Delete fourth and fifth sentences: Substitute: **The creation of credit-money enables the borrower to reverse the normal sequence of supply and demand. Whereas, in the normal case, a person must produce wealth and exchange it for money (i.e. the function of supply) before he can make purchases (the function of demand).**

## Election of President

**N**EXT business was to elect a successor to Mr. Lucas. Modestly omitting to mention that he had himself declined nomination, Mr. Mitchell said that of the three distinguished Georgeists who had been nominated, Dr. Viggo Starcke (Denmark) and Dr. Rolland O'Regan (New Zealand) had both been regretfully unable to accept. The Union was extremely fortunate that Mr. Joseph S. Thompson, a retired businessman from San Francisco, was willing to accept office. He was a great fighter for the Georgeist cause, having campaigned unremittingly within the ranks of the (American) National Union of Manufacturers. Supplementing his political activities had been his contribution to the educational side of the movement; he had played a leading part in establishing the very successful Henry George School in San Francisco.

Mr. Thompson was elected by show of hands and acclaim. His charming short speech of acceptance won everybody's heart. Here, indeed, was a man who could use words, an accomplished master of the art of winning friends. Gentle and kindly though his manner, he confessed to enjoying a good fight. If either of the other two nominees had been free to accept, he would have gladly stood down. In the circumstances, he accepted gratefully and with humility the honour bestowed on him. He had recently retired from the presidency of his firm, the Federal Pacific Electric Company, and would be glad to devote his time to the affairs of the Union. No doubt he would receive help and counsel from that "still small voice with a megaphone", Mr. J. Rupert Mason, a fellow San Franciscan and President Emeritus. His friendly, intimate reflections on that great Georgeist leader, and his regret that illness had kept him at home, were warmly received and endorsed.

## Land Values in California

**T**HIS NOTE was echoed when members reassembled on Sunday morning. On behalf of his absent neighbour, the President formally presented Mr. Mason's paper *Irrigation and Land Values in California*. He read a transcript of Mr. Mason's tape recorded message which, for technical reasons, it was not possible to play at that session. Mr. Thompson thought it significant and interesting that so many had travelled the 6,000 miles or so to Hanover from the San Francisco Bay Area where *Progress and Poverty* was written. The gathering was truly international and representative, even if not large. The Union and associated bodies were the tabernacle in which Henry George's principle was kept alive. Never, never refer to it as George's "theory", he begged; leave that word for opponents who sought to belittle us. Although at present in only a few hands, awaiting its hour, this principle was infiltrating and spreading because of the pressure of foul and stupid tax systems everywhere. "Vicious taxation is one of our most helpful members," Mr. Thompson declared.

## Freedom: Words and Deeds

FREE TRADE is first and foremost a question of individual freedom, said Mr. Ashley Mitchell when presenting his paper, *Trade Barriers: Protestations and Performance*. That was why he had taken Henry George's famous "Ode to Liberty" for his prologue. Nowadays protectionists—"a grisly lot, out to carve people up"—had weapons far more devilish than the old-fashioned tariff tax. Not that tariff duties were unimportant; sometimes they amounted to several hundred per cent. More serious, though, were the absolute prohibitions on imports imposed by some countries, Customs bonds, quota restrictions, exchange control, and the like. Official publications, such as the *Board of Trade Journal*, "swarmed" with details of the outrageous, nonsensical obstacles placed in the path of those who wished to buy and sell.

Instances were Argentina's recent "simplified" import regulations, Chile's 5,000 per cent Customs bonds, Colombia's absolute prohibition of iron and steel goods. "One of the most ridiculous examples is the U.S.A. quota on woollens. It is a fluctuating quota, the amount of which is announced about March of each year. Then the sprint starts. No licences are involved: it is a case of who can get there first. American buyers of foreign woollens endeavour to place their orders for delivery in the first six months of the year, which until this year has covered the quota. This year, however, a sudden rush of imports of the most easily made goods used up the quota before the end of May. As a result, large shipments are now subject to an increased duty of 20 per cent, the tariff having risen from 25 per cent to 45 per cent."

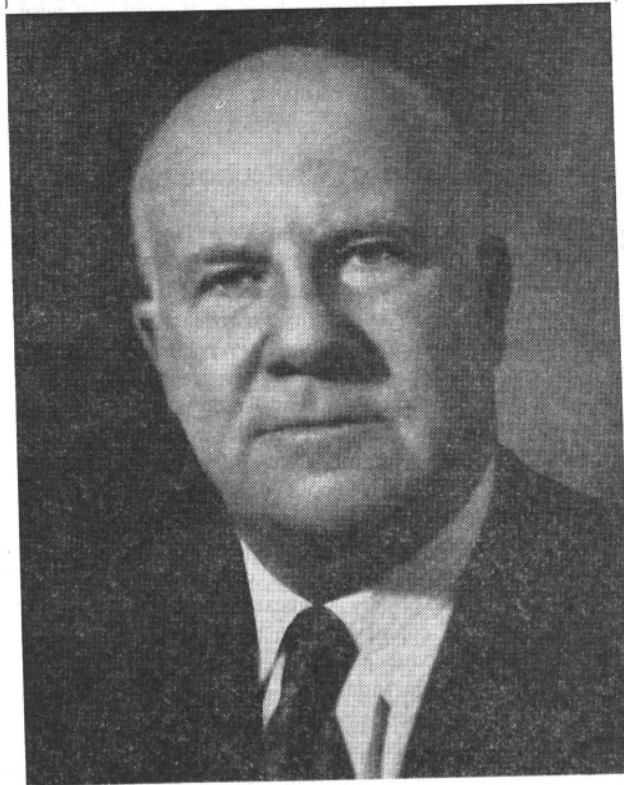
The almost incredible ferocity of such restrictive measures mocked the claims to uphold a free way of life made by western countries. "If people are not free to buy, they are not free," he added. Old tyrannies had been swept away but, under protection, many others had been established.

The most staggering effect of such madness was the effect on the world shipping industry. Twenty-four million tons of ships were laid up. That was scarcely surprising! It was marvellous that any ships were moving at all.

Mr. Mitchell left his audience in no doubt that protectionism fosters and buttresses state socialism; manufacturers who clamoured for State aid thereby dug their own graves and sounded their own tocsin. Free Traders must alert them to the folly and danger of that course.

Answering questions, Mr. Mitchell said that the British Labour Party, formerly free trade, had been wedded to protection for more than a quarter of a century; the trade unions were "super-protectionist." In his business he encountered Japanese competition everywhere. If he had not been a convinced Free Trader, perhaps he would have feared them. Instead, he sold worsteds to Japan: "you can't turn out best quality goods with cheap

## The New President



Joseph S. Thompson

*Jo Thompson is a warm-hearted, friendly man, advanced in years, who loves life and people. Now well-to-do and retired, he has experienced the lash of poverty. When only twenty he found himself the head of a suddenly orphaned family of six. Starting in a rented shed in the country with a very little capital and no other support, he founded and built up a large electrical manufacturing business, one of the largest of its class in the United States, from which he retired as president last year. He is a Fellow of the American Institute of Electrical Engineers and for four years was a director of the San Francisco Chamber of Commerce. Mr. Thompson is prominent in musical circles on the Pacific coast of the U.S.A. and is much in demand in his native San Francisco as speaker and toastmaster. He has been an advocate of Henry George's principles for almost half a century.*

labour." Stigmatising the European Common Market as a protectionist area, he detected a sinister anti-U.S.A. motive underlying it. People living within the six countries would be as plagued and exploited by protectionism as are the Americans. The whole scheme was Imperial



Preference in a new guise and setting; preference was impossible without tariffs, etc. He was horrified that some British Liberals wanted Britain to join. It would be wise, he thought, to await details of the "Outer Seven" scheme, warning that any scheme in which protectionists were involved was automatically suspect.

## Fruits of Protection

FURTHER aspects of the great Free Trade issue were discussed by Mr. S. W. Alexander, M.B.E., editor of the *London City Press* newspaper, and Dr. Sven Rydenfelt, a professor at Lund University, Sweden. The former, introducing his paper, *Trade Blight Over Europe*, said that the modern world had sustained the greatest economic disaster it had ever known when Britain abandoned free trade. Dr. Rydenfelt expressed scepticism about the proposed "Outer Seven" trading area and grave fears about the "false path" towards closed doors, cartels and collectivism chosen by "The Six".

In the main, Mr. Alexander dealt with some of the principal domestic consequences of protectionism in Britain. Events had amply vindicated the prophecies of Free Traders. The country was in the grip of great concentrations of economic power — the trades unions, the Federation of British Industries, the National Farmers' Union, and so on. Liberals recognised the right of individuals to group themselves together and to seek power, provided always that other groups could form to challenge them. Today, because the impact of foreign competition was not felt in the market place, that vital day-to-day challenge was missing. The disastrous consequences were there for all to see.

When trade was free, the economy was flexible. Minor adjustments were made all the time, unemployment was relatively low and, what was more important, men who lost their jobs could soon find others. In a protected economy, flexibility gave way to rigidity: the number of workless soared and, worse still, men remained idle for months and years. Chronic unemployment was unknown in Britain when the ports were open. The way to provide constant new opportunities for employment was to restore to people the opportunity to buy in the cheapest markets, either at home or abroad. Instead, however, governments had chosen the way of inflation to keep people at work. This year the Chancellor had budgeted for a deficit of £720 million.

The Liberal Party had been virtually extinguished. Two protectionist parties, one pro-capitalist the other anti-capitalist, took turns at governing the country. This led to terrible instability and uncertainty.

The Government was the biggest buyer in the country: by restricting imports and tolerating the monopolies which grew up under protection, it put up prices against itself. A return to Free Trade would end inflation and greatly reduce both Government expenditure and the national debt.

The Free Trade Union believed that the arguments in favour of free imports were so strong that it would not be possible for the press and radio to suppress them much longer. Once they were generally known, protection would be destroyed. Paying a deserved tribute to the Georgeists in Britain for what they had done, Mr. Alexander concluded by stressing that each and every attempt to extend protection must be fought relentlessly.

## A Swede's View

DR. RYDENFELT, presenting his paper *Free Ways to Free Trade*, spoke of the latent desire in people everywhere to buy and sell freely. In his view, this could best be fulfilled by people in each country patiently and diligently dismantling the trade barriers that hemmed them in. This was the "old fashioned" unilateral approach, in sharp contra-distinction to the multilateral idea. The European Common Market was sown with seeds of conflict, both internal and external, and operated as a cartel. Its formation had stimulated feverish attempts by the excluded countries to create balancing anti-blocs; first the unrealistic European Free Trade Area and, more recently, the Outer Seven. Nervousness and bitterness would increase as the tariff walls surrounding "The Six" were built higher and higher.

As an example of what he described as the morally abominable and economically foolish "blackmail" methods used when Governments attempted to regulate trade, Dr. Rydenfelt traced in some detail an incident in Swedish-German trade relations. Sweden had on her hands a surplus of grain, the result of her farm subsidy policy. This she compelled the Germans to take at uneconomic prices firstly by reducing the Swedish market for German cars, and secondly by threatening to withhold iron ore from the German market. Although the Swedish Government prided itself on being exceptionally peaceful, it had shown in this episode a frightening propensity for aggression.

The democratic way was to win people. That was what the private businessman had to do all the time. Private sellers and buyers were unable to exert compulsion; they tried always to please their customers. In this way, where trade between individuals in different countries was free, mutual understanding and friendship was fostered. But where governments interfered, instead of building bridges between people, international trade very often created bitterness and hostility. To let government manage trade was like setting a fox to look after geese.

Neither inflation nor exchange control by itself could impede international trade. But the two together formed a most dangerous obstacle. Inflation was likely to continue indefinitely. However, the growing understanding of the importance of more free and flexible currency rates afforded grounds for some optimism about exchange control.



# The Movement Gathers Momentum

**PROGRESS REPORTS** on the educational and political work of the movement are always a most interesting and enjoyable feature of any international conference. Hanover was no exception. One after the other, speakers reported solid achievement and the surmounting of obstacles during the four years since the St. Andrews conference. No trace of complacency or false optimism was discernible. Instead, there was sober appreciation of the difficulties ahead, and a quiet, buoyant confidence that the doldrums of wartime and the early post-war years had been left behind; the movement was renewing itself, expanding, and steadily moving forward on many fronts: there was reason to believe that it would continue to gain ground.

## Great Britain

**IN BRITAIN**, the Henry George School had 15 branches in eleven centres, Mr. V. H. Blundell reported. Enrolments and completions had increased each year since 1947. Students were drawn chiefly from the 17-40 age group; a large proportion were attracted through advertisements in the two serious Sunday newspapers. A panel of nearly 40 tutors was available. A most successful weekend training school for potential tutors had been held this summer. Between 60 and 70 people, mostly new students, had attended other recent weekend Schools.

After briefly reviewing the policies of the main political parties, Mr. P. R. Stubbings gave an account of some of the propagandist activities, collective and individual, undertaken in Britain. The Georgeist movement was steadily gaining in strength and influence. Its strongest ally might prove to be mounting popular dissatisfaction with the present local taxation system. The immediate task for British Georgeists was to harness these protests to their own campaign for land-value rating. The prospects of success were brighter than they had been since before the last war.

## The Schools in U.S.A.

**MR. ROBERT CLANCY** reported that there were 20 branches of the Henry George School in the U.S.A. Thirteen were solidly established. The School was proud of its Charter, although its terms precluded political activity. Many graduates were politically active. The Director of the School at Great Falls, Montana, Mr. Russel Conklin, had been Mayor of his city and a member of his State Legislature; a Detroit tutor, Mr. S. James Clarkson in the Michigan House of Representatives had introduced land-value bills. The New York School graduated between 600 and 800 basic course students a year. The speakers' bureau fulfilled many engagements. Co-operation with other adult education bodies had recently increased; class material had been supplied to a High School of Science where 250 students between the

ages of 15 and 17 had undertaken an intensive seven day course on *Progress and Poverty*. A new basic course manual had been published, and another for the Free Trade course was being prepared. The work of the Correspondence Course Division was expanding rapidly. Advertisements in international periodicals had yielded a "fantastic response." The basic course was offered in French and Spanish, and preparation of courses in the German and Italian languages was in hand. On Formosa, the Henry George School was the only American School permitted by the authorities; in the Philippines there was an active group and, it was hoped, classes in India may be arranged. There are about 85,000 graduates of the School in the U.S.A. and Canada; the School is on the verge of a "break through," Mr. Clancy predicted.

## Winning Businessmen

**IN CHICAGO** nearly 8,000 people have attended the 1,753 round-table study groups organised by the Henry George School in that city. During the last ten years, 243 companies in and around Chicago have participated in the study programmes arranged by the School's "Commerce and Industry Division." All except seven have sponsored groups in their plants for their executives, supervisors, and office and factory employees. Group leaders are selected from within the companies. They are briefed beforehand at weekly "conference leadership seminars" conducted by the School Director. The School has successfully experimented with television. During the autumn of 1957 each Wednesday at 4 p.m. study groups throughout the Chicago area started their sessions by watching the 20 minute programme given by the School's director of conference leadership. The T.V. programme will be resumed and developed further for use on the forty-three educational stations throughout the United States as more study groups are formed.

The School also conducts groups in labour unions, investment clubs, employee clubs, business colleges and churches, and holds monthly business luncheons which have been attended by more than 3,000 business executives.

The Chicago report, written by Mr. John L. Monroe, School Director, was read to the Conference by Mrs. George Menninger, a member of the active Henry George Woman's Club which strongly supports the School's work. Members are all former School students.

## Teaching Canadians

Montreal classes attract about 100 students a year, of whom roughly one half complete the course, Miss Strehel Walton reported. Land values had been blown up, especially by the St. Lawrence Seaway. The newspapers gave generous space to students' letters. Attempts to interest the French-speaking majority had met with scant success but renewed efforts were being made. In Toronto, Mr.

Harry Pollard, formerly a tutor in London, was energetically in charge. A successful and surprising experiment had been to offer public speaking classes based on *Progress and Poverty*. The Ottawa classes had suffered a setback through the illness of Mr. H. G. Barber, and Edmonton was at present dormant.

### Victoria and N.S.W.

THE only Australian present, Mr. E. P. Middleton, read a report from Victoria written by Mrs. A. R. Hutchinson (*née* Mary Pincombe) who had attended the St. Andrews Conference. The School was the one weak spot of the movement in her State. A few people had taken the correspondence course. Two competent tutors were available. It was hoped to recruit students by means of radio advertisements and distribution of a new specially prepared pamphlet. The Henry George League had accommodation in an excellent central position in Melbourne; twice weekly radio broadcasts had been maintained for six years; recorded talks for use in other States have been made; speakers have been supplied to outside organisations; and during the past four years approximately 16,000 column inches of newspaper space have been devoted to letters and reports dealing with our ideas. A "Public Forum" meeting monthly has been maintained since 1957. There is also a Women's Group. Some members are also active within the Land Values Research Group, and other bodies.

In the neighbouring State, N.S.W., the movement was less fortunate in some respects, Mr. Middleton reported. Once there were thousands of members but with the rise of socialism, Henry George's influence had declined. Strenuous attempts at a revival were being made. The School is well established and conducts four classes, one being on voting systems. They are held in a suite in an old office block not too well situated. There are hopes that a school may be built at Terry Hills, a few miles outside Sydney, on land received as a legacy. Preliminary work has been done by volunteer working parties at weekends. The annual summer school was always well attended, as were the Henry George anniversary meetings each September. With land-value rating long established throughout the State, Georgeists in N.S.W. had not the same opportunities for direct propaganda activity as had their Victorian colleagues. Attempts to secure broadcasting time had been unsuccessful, but press correspondence was well sustained.

The paper, *Local Taxation on Land Values in Australia and New Zealand*, by Mr. A. G. Huie, veteran Georgeist and "marathon Press letter writer" of N.S.W. was formally presented by Mr. Middleton. A useful addition to the literature of the movement, it relates briefly, State by State, how and when land value legislation was adopted, and the present assessed value of land, population figures, and yield from rates and other charges on land values.

### Austria: Holland: France

IN AUSTRIA there are only a few, mostly elderly Georgeists, Mr. Philipp Knab said. They are grouped in the Austrian Union of Land Reformers which, since the death of Professor Siegfried Sitte in 1945, has been devotedly organised by Dr. J. Schwarzl. The Union concentrates most of its efforts on seeking to influence politicians and men in charge of public bodies. It has met with understanding and sympathy among town planners, one or two of whom have joined the Union. At the great International Congress on Housing and Town Planning held in Vienna in 1956, the Union succeeded in getting adopted a resolution in which land-value taxation was recommended. In the 1955 valuation law provision was made for the separate valuation of land and improvements by optional "self assessment". This had led to a more up-to-date valuation of sites and, consequently, to an increase in home building and a better use of roads and amenities in many places.

ONE of the principal activities of Dutch Georgeists at present is to oppose moves to sell those "polders"—tracts of land reclaimed from the sea—which are the result of public works. An important polder is that formed by the bed of the drained Zuidersee. In 1928 an official committee recommended that the land there should not be sold because the cost of reclamation had been paid by the whole nation. (Hitherto such activities were privately undertaken.) The committee pointed out also that if the land were sold, subsequent increases in its value would be privately engrossed. In the same year a Georgeist Committee offered specific suggestions on similar lines. It proposed a form of hereditary tenancy, holdings to be let at decennially revisable rents. None of this land has yet been sold, although the question was an issue in the Dutch Parliament from 1954 to 1956. Some Conservative M.P.s then advocated that part of the land should be sold. Since then a more conservative government has assumed office.

Mr. S. Sevenster reported on the Dutch Georgeist movement, which is grouped around the Journal *Ons Erfdeel* ("Our Heritage") edited by his father. His talk was illustrated by lantern slides.

REPORTING on France, Mr. Gabriel Stampfer (interpreted by Mr. Dan Bjørner) paid warm tribute to the two veteran Georgeist leaders, MM. A. Daude-Bancel and Max Toubeau. He presented the latter's paper (see L. & L. August) which traces the rise of the Poujadist tax-protest movement and its eclipse by the group which calls for taxes on raw materials and all forms of energy. A Georgeist-Co-operative novel, *On a tue M. Systeme!* had recently been published as a result of a competition by *Terre et Liberte*, the French Georgeist journal. (The author and his "hero" are both students of the correspondence course in French conducted by the Henry George School in New York). Mr. Stampfer announced that another book (which he is supporting financially) is being written. The author is a pupil of a professor whom he has interested in the taxation of land values.

## The Danish Georgeists

**T**HE NEW TAXES, forced loans and other measures adopted would horrify most Georgeists, said Dr. Viggo Starcke reporting on the achievements of the Danish Coalition Government in which, with two other Justice Party M.P.s, he holds Ministerial office. The serious deficit with which the new administration had to grapple on assuming power had not been caused by the Georgeists, and the distasteful measures had been necessary in order to make it good and to give Denmark a fresh start.

Dr. Starcke's speech was in two parts. First he recited the circumstances in which the Coalition government was formed, and told how each of the predictions of the hostile press had been disproved. This ground was covered here last month. Then, prefacing his remarks with a tribute to Dr. Ludwig Erhard, he turned to the question of European trade. His party, of course, was for free trade. In 1929-31 it alone in the Danish Parliament had voted against the restrictions then imposed on imports; in the 30's and 40's it alone had continued to vote against restrictions and the planned economy. Although Danish tariffs are the lowest in the world, Denmark still maintains severe restrictions on imports.

Throughout Europe the removal of trade restrictions was being discussed. For the Danish Georgeists this was encouraging. But discussion had been largely confined to industrial goods. Denmark has no coal, oil or other minerals — only foodstuffs. Roughly half her food exports go to "The Six" and the rest to the "Outer Seven". If economic warfare between the two blocs developed, Denmark would have to meet the cost of the "war". Therefore she had pressed for free trade in farm products.

England was afraid of Denmark's good, cheap food. Germany was frightened. So were other countries, even the U.S.A. Mockingly, Dr. Starcke asked, "Why is the world so afraid of mighty Denmark?" The answer, he suggested, was that because she did not subsidise her agriculture, farmers had been obliged to co-operate. They were not more clever than English or German farmers or even those in God's Own Country! If Denmark had joined the European Common Market, with its high surrounding tariff wall, she would have had to increase her tariffs at least fivefold. This would have made her farm products very expensive. She would have gained little from membership. The collapse of the original Free Trade Area negotiations had been a diplomatic victory for France and defeat for Britain.

Denmark would join the "Outer Seven" only if it were used for negotiations with "The Six"; not if it were used for economic warfare. She had now broken the principle that liberalisation should be confined to industrial products. Within ten years the "Seven" would progressively reduce and finally abolish tariff barriers between themselves and all restrictions against all other countries; each

member country preserved the right to abolish protection completely but none would be free to increase tariffs, and no common tariff wall would be erected.

Answering questions, Dr. Starcke said that he believed that whatever political changes might take place, governments would honour the market plan pledges now being given. Within the Common Market, France alone had proved a stumbling block. She suffered from high protection and inflation but so far the French people had failed to see the connection between the two. Dr. Adenauer and Dr. Erhard believed that conditions were improving and that a few months hence, France would be ready to negotiate. Georgeists knew that economically it was possible for a single country to adopt free trade, and swiftly. Politically it was not possible to gain a majority in favour of such action; people feared revolution and shock. But we should never lose sight of our goal, the simple human right of every person, after paying his lawful taxes, to buy what he likes from whom and from where he chooses.

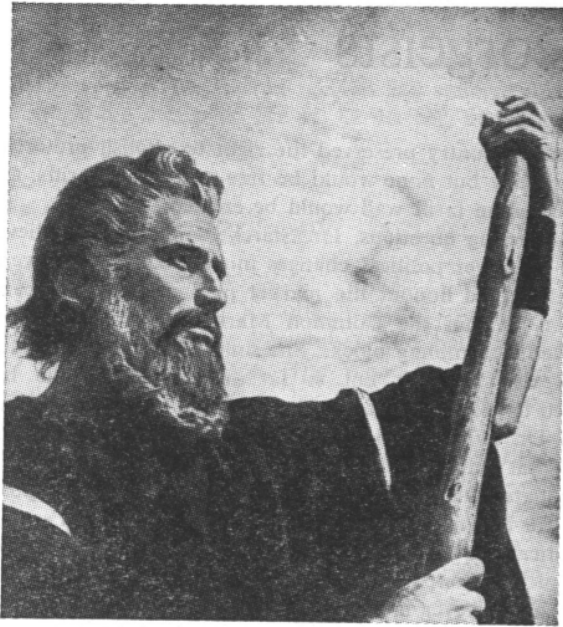
Within the Danish Government a number of small committees were considering particular policy questions. One was examining land-value taxation problems. Dr. Starcke was not free to say more.

**M**R. AGNAR CHRISTENSEN reported on the work of the Danish Justice Party Youth (D.R.U.), a completely independent Georgeist political organisation of which he is chairman. Membership is only a few hundreds but these are all politically active. As a result, D.R.U. is more effective than some larger rival bodies. Its income is derived entirely from members' fees and donations plus the proceeds of a lottery held every two years.

D.R.U. exists to promote support, particularly from younger people in Denmark, for the Georgeist policy. It does so by means of private meetings to which guests are invited, public meetings, debates and discussions with other bodies, the publication and distribution of leaflets, etc. There are groups in some of the principal towns. The national executive arranges correspondence and lecture courses and occasional weekend courses. The organisation has made and paid for a 16 mm film dealing with land-value taxation problems.

While the Youth organisation supports in principle the participation of the Justice Party in the coalition government, it has reserved the right to criticise coalition government policies. The Young Georgeists believe it is most important to enunciate fundamental principles on questions where the Justice Party in government is obliged to compromise. They make known their views by means of resolutions and reports. D.R.U. is a member organisation of the Danish Youth Council and the World Assembly of Youth. It has one annual half hour broadcast over the Danish State radio network.





MOSES as portrayed by Charlton Heston in Cecil B. de Mille's "The Ten Commandments"

## Pharaoh Had A Dream

ONLY the sketchiest outline is possible of the scholarly researches into the growth of land monopoly in ancient Egypt which Dr. Starcke presented with memorable quiet eloquence.

Jacob's beloved son, Joseph, who had been sold into slavery, with Pharaoh went into a successful corn speculation during the seven years of plenty. When the famine came, Joseph used the corn to buy for Pharaoh all the land of Egypt, excepting only that of the priests. Henceforth, he ordained, a fifth part of the cultivator's crop was to be given to Pharaoh — a 20 per cent mortgage or copyhold rent. "Here we see the land monopoly in all its might, the worst of the Egyptian plagues; the power of kings, the power of nobles, the power of the priesthood, used and misused to swallow up the income and production of the working people."

In time, under a Pharaoh "which knew not Joseph", the results of Joseph's land policy affected his own people; poverty increased and the pleasures of work and production changed into the misery of slavery. "The land monopoly reached its prime in Egypt, where the wealth of the princes and the splendour of the temples little by little was overspun by a cobweb of red tape and the creepers of an excessive bureaucratic system of innumerable writers and supervisors. The strength of the people was eaten up from within and the country was ruined. The common man sank into poverty and apathy through taxation and suppression, a poverty and apathy lasting to this very day."

The forsaken Israelite baby, Moses, was adopted by Pharaoh's daughter, and brought up at court. He had everything a man could want. Yet, when he saw the slave-

holder smite the Hebrew, "he slew the Egyptian." With that act of passion he entered the stage of World History. He saved the Israelites, who lived in Egypt, from the claspings claws of the stone sphinx and led them to the border of The Promised Land. He grasped the concept of a righteous, loving God, indivisible and universal, and of the brotherhood of man. Before Pharaoh himself he declared: "The earth is the Lord's".

In Egypt Moses had seen the result of wrongdoing which had prevailed since the days of Joseph, the division of the people into two parts, the few rich and the many poor. Therefore God declared: "The land shall not be sold for ever: for the land is mine; for ye are strangers and sojourners with me." About the land problem of the cities God declared: "But the field of the suburbs of their cities may not be sold; for it is their perpetual possession." In this way the land monopoly and the proletarianisation and exploitation of the people was prevented.

If failure of crops and misfortune forced a man to sell his land, he always preserved the right to re-buy it. If he was unable to pay his debt, he could, in the year of jubilee, return to his land and have a new start, free of debt and mortgages.

There were many other laws based on love and a recognition of the reality of justice that are not to be found in the modern welfare statism. "The sabbath, the weekly holiday for everyman, was a Mosaic invention, a great social improvement."

Moses was the apostle of righteousness and justice. He was the prophet of liberty, too. Now, 3,000 years later, we still have not attained what Moses had in view.

## Land Reform

A WORLD-WIDE SUMMARY in barest outline of land reform measures throughout the world was presented by Miss V. G. Peterson. Based principally on a United Nations' report published in 1956, it supplemented and brought up-to-date the report she presented four years ago.

Since the war a reshuffling of land ownership had been taking place, involving two-thirds of the world's population. Large estates had been expropriated, subdivided and re-allocated. Whether or not these moves had always been justified, they revealed the growing dissatisfaction of millions of people with a bare subsistence living. More than half the world's population, it had been estimated, had an annual income of only \$60 per head. This was a direct result of land monopoly. Land reform was intended to increase food supply, to erect a buffer against Communism, and to improve the material condition of the people. Land speculation and *latifundia* in Egypt had reached such proportions that land there had been the dearest in the world. As a result, money had not been available for capital improvements, yields were low, cultivators had had no alternative but to work for the barest return, and rent had taken practically the whole of production. Where land had been redistributed in Egypt crop yields had increased for wheat, cotton and sugar cane.

Miss Peterson believed that land reform measures had been honestly devised. The illiteracy of the people, the absence of local government and the primitive communications presented formidable administrative problems. Compensation payments to owners of expropriated lands had placed heavy burdens on the people, often resulting in inflation. Co-operatives were being established to lend money, improve seeds and disseminate technical knowledge. In some places, however, the co-operatives were exploiting the people they were intended to help. Egypt afforded instances of this.

Taxation had been used in various ways to bring about improvements. Where no comprehensive land-reform programme had been undertaken, progressive taxes on land or on land income had been imposed to discourage large holdings. Elsewhere, land taxes had sometimes been lowered, or special exemptions granted, as an incentive to landowners to surrender parts of their holdings or to accept tenants at reduced rents. Some governments had adopted fiscal measures which reward better land use and lighten the burden on the taxpayer in times of adversity.

Complicated plans to encourage investment were being adopted but nowhere was any effort being made to introduce land-value taxation. Yet this would be self-regulating, here breaking up large estates, there encouraging amalgamation of fragmented holdings, removing causes of inequality, discouraging speculation, stimulating production, and providing revenue.

Mr. P. Knab begged Conference members not to adopt too benevolent an attitude towards these so-called reforms. In Russia, China and India they had involved terrible, needless suffering. It was as if Henry George had not lived. Visiting Vienna, Pandit Nehru had admitted his ignorance of George's proposals; Mr. Knab had sent him some pamphlets. Mr. P. R. Stubbings suspected the primary object behind land confiscation and redistribution had been to curtail the power of possible opponents to the established order. Mrs. Starcke said she had discussed the Point 4 aid programme with two Iraqis. One, a landowner, welcomed it; the other, a young liberal lawyer opposed it. Miss Peterson, replying, said that the United States had genuinely sought to help less fortunate countries. It was debatable whether aid programmes had fulfilled their objects.

### Historical Survey

**R**EFORM MOVEMENTS, Mr. Robert Clancy said, often start with one man and quickly develop strength. Then opposition develops. Members lose heart and many desert: the movement either declines or stagnates and, unless it makes an "agonising re-appraisal" and integrates itself in the new environment, it dies. So it had been with the Henry George movement.

From 1898 until the first World War had been a boom period for the Single Tax, with legislative achievements in many countries and illustrious supporters. For instance, Woodrow Wilson's cabinet was filled with Georgeist-

minded people. But after the war, though the legislative gains held firm, the movement everywhere declined and nearly died. In the U.S. during this period, the Robert Schalkenbach Foundation and the Henry George Foundation of America were formed, and abroad the Danish Justice Party and the International Union were formed. Despite this, the movement continued to wane because it had not developed any technique for recruiting new members.

In the States it was rescued from extinction by the vision and action of Oscar Geiger, who founded the Henry George School of Social Science in New York in January 1932. During the past 27 years at least 100,000 people have completed the School's basic course and more than twice that number have taken part of the course. In the U.S.A. and in other countries they are beginning to have an influence on economic thought and political action.

### Eternal Verities

**A**N EMPHATIC "NO!" was the only possible answer to the rhetorical question posed by Mr. Victor Saldji's paper. Henry George's classic *Progress and Poverty* is not outdated but its title — "a masterpiece of challenge" — has lost some of its original impact, at least in the western world. This is partly because social welfare palliatives tend to obscure the bitter fact of widespread poverty, and partly because modern economists and the press use fancy expressions, such as "recession" and "downswing of the trade cycle" as elegant variations for clumps and unemployment. The immutable principles about which Henry George wrote with such potent, irrefutable logic, could no more "date" than could the principle discovered in his tub by Archimedes. But, with the passage of time, modes of thought and expression have changed. That was one reason why the abridgment made in 1953 by the late A. W. Madsen and his colleagues, by deleting dated references, was of such value. It presented a nineteenth century classic in twentieth century idiom. The essentials stood out more clearly and the book could be read in half the time needed for the original version. This had proved most helpful, alike to tutor and student, in the Henry George School in Great Britain. Re-arrangement of some passages had removed the possibility of misunderstanding.

*Progress and Poverty*, Mr. Saldji declared, is more than an economic treatise: it unfolds a social philosophy that is as powerfully relevant to the present day as to the past. Events had fully borne out its gloomy predictions. Poverty and widespread unemployment had enabled strong, unscrupulous men to seize power and impose the vilest despotisms in countries decked with all the paraphernalia of democracy. But George was not cast in the role of a prophet of doom. He showed how the good society based on a sound and just economy could be achieved. By so doing, and by demonstrating the true harmony between economics and ethics, he had rendered a unique service to mankind. Those who shared his vision were impelled by an unquenchable determination to do everything possible to make it reality.

# Land Valuation Techniques

## American Practice

THROUGHOUT NORTH AMERICA, Dr. Glenn E. Hoover told the Conference, the taxation of land values has long been a basic source of public revenue. He was surprised that so few non-Americans were aware of this. The reason, he thought, was probably due to the way in which it came about. It was a fortunate by-product of the untenable theory that all property should be taxed at equal rates. The General Property Tax originally fell mainly on land simply because the early colonists were subsistence farmers with little but land to tax. With industrialisation this became less true. But even today, about 25 per cent of the economic rent of land is taken for public purposes. At a guess this is probably the highest percentage taken in the world.

Disclaiming any specialist, technical knowledge of valuation procedure, Dr. Hoover was at pains to emphasise that the first step in taxing land values is to make a valuation. Technically this presented no difficulty. Admittedly assessment of real property in the U.S.A. is not made so meticulously as in Denmark, but even though land is assessed at only a fraction of its "actual value", that value must be calculated. In making this calculation reliance is placed primarily on the last price paid for the land, or for a similar piece in the neighbourhood. Assessments are public records, open to inspection by any interested party, and there is a right of appeal to an elected Board of Supervisors. Protests are few.

Dr. Hoover dealt at some length with assessment procedures, taking as his example Alameda County, California, because he believed that in some counties the alleged difficulty of the task had been highly exaggerated. Any government wishing to tax the capital value of land could draw on the experience of other countries including the 49 states of the U.S.A. Although few, if any, of the States now levy taxes on real property for State purposes, the State governments authorise their local governments to do so, and fix the procedures to be followed. The almost universal assessment of unimproved land values in the U.S.A. is obscured because, except in two cities in Pennsylvania, the rate imposed on such values is also imposed on improvements and, in all but three States, on personal property as well. The percentage of economic rent collected for public purposes in the U.S.A., Dr. Hoover firmly believes, will increase as popular clamour against sales taxes and income taxation builds up.

## A Property In Israel

LAND VALUATION was discussed in greater detail by Dr. David B. Ascher, the Registrar of Lands in Haifa, Israel. The layman who recoils instinctively from technicalities should not be deterred by the title of his paper — *The Building: Land-Ratio*. Dr. Ascher's witty, colloquial style and long professional experience of dealing

with real estate, in turn as lawyer, appraiser and administrator, make him an able expositor of a fascinating subject. After a brief exposition and commentary on the various valuation methods open to appraisers, Dr. Ascher introduces his two colleagues, Yussef Effendi (the "Prophet") and "Mr. Slide Rule". The Arab is a successful broker with a wonderful "tracking nose" with a sovereign disdain of scientific as well as state laws. "Mr. Slide-Rule" is also an engineer and a surveyor, devoid of feeling and intuition, very reliable and utterly dependent on his instruments and logarithm tables.

The three friends first met in 1933. Ever since they have met twice weekly in a garden cafe on Mount Carmel. Frequently they are all professionally interested in the same property. For example, in foreclosure proceedings, one may represent the mortgagor, another the mortgagee, and the third, the court's execution office. On another occasion, the roles would change.

Dr. Ascher devotes the major part of his paper to tracing the history of the property which was the subject of their first meeting. It had been built three years earlier — in 1930 — for £40,000 on a plot of land which the contractor had bought for £7,000. On completion, he sold for £50,000. Why did he get this price? By different methods, explained in detail, the three friends arrived at the same valuation.

In 1940, when the building was sold in foreclosure proceedings, they were called upon to re-appraise it. Dr. Ascher, allowing for increase in the value of the site and for deterioration of the building as a structure, applied the "building residual method". He arrived at a figure substantially the same as the "Prophet's" and the price actually realised when the property was sold at auction. "Mr. Slide-Rule", on the other hand, by valuing the land, as before, at £10,000 and the building at "cost less depreciation" was £10,000 out on his appraisal. He learned from it that *land values are bound to go up in a developing community*.

Today the site — which was bought for £7,000 in 1930 — is worth £90,000. The building ought to have been pulled down and replaced. But what incentive was there for the owner? On the one hand the tenants were still paying the same net rent (allowing for changes in money values) as in 1930. On the other hand, because of high interest rates and the rates and taxes which would have to be paid, a new building would yield a net income less than that derived from the old one. Eventually the Haifa Municipal Corporation expropriated the property and paid £60,000 compensation.

The moral of the story in Yussuf's words, as reported by Dr. Ascher, is that *"ground rent disguised as building rent has a tendency to live in all eternity! That is, unless the real ground rent is brought down by a better system of taxation."*

When first erected, the building value: land value-ratio was 4:1. In 1940 it was 0.6:1, and in 1959, 0:1.



Rational policy demands that owners pull down obsolete structures and replace them by new and better ones. They fail to do so because the steady income they receive from their properties conceals the deterioration of the building: land-ratio. When taxation falls on land values, instead of on improved values, the owner is made aware of this deterioration, and acts accordingly.

Dr. Ascher concludes his paper with a brief reference

to the land policy of the Jewish National Fund, and to the differential property taxation levied by both the central government and the municipalities in Israel. Today, a high burden of taxes and rates on unimproved, dead-ripe building land deters owners from withholding land from use. Despite tremendous immigration and the acceleration of industrial development, prices of even central urban and industrial sites either have fallen or failed to rise.

## Will Germany Lead The Way?

**I**N HIS PAPER, *Will West Germany Introduce Land-Value Taxation?* to which he spoke in German, Dr. Martin Pfannschmidt drew attention to the unhealthy concentration in West Germany of big capital, big industry and big towns. The concentration of industry had been brought about partly by deliberate government policy in restricting expenditure on residential building and in reducing standards to a minimum, and partly by bad taxation. A turnover tax which yields about 28 per cent of the total revenue is levied at each stage in production on the total value including taxes paid at the preceding stages. Industry naturally tries to escape from this accumulating tax by adopting a vertical concentration of production and a horizontal concentration of sale. The municipal sales tax, the chief source of local government income, aggravates this trend. Moreover, because the real estate tax has been petrified for decades by an artificially low valuation, the municipalities are unable to develop building land outside the old residential districts. Perforce, they must build upwards. This has caused overcrowding, traffic congestion and road accidents and, because huge blocks are expensive to build and are heavily subsidised, public expenditure continues to rise to the detriment of taxpayers. The disproportion between the trade tax and the real estate tax is so great that reform of the whole system is urgent.

The local authorities are not yet convinced that land-value taxation can help them, and the various classes of land and property owners are hostile. But a change is coming, Dr. Pfannschmidt believes. Prosperity always increases man's desires. Earlier intransigence is giving way under the mounting popular demand for family houses with gardens. Evidence of this is to be found in the various attempts made to devise legislation governing land ownership and building.

Since 1950 the Federal Housing Minister has prepared several drafts for a Federal Building Law (in reality a town planning law). Earlier drafts provided for the valuation and taxation, by the towns, of increases in the value of urban land. In the latest draft (dated April 16, 1958) the proposed increment duty is abandoned; instead there is proposed a development charge that would reimburse the town only for expenses incurred in opening up land for building.

Another draft law (dated June 21, 1956) which has been submitted to the Bundestag by the Federal Finance Minister relates to the taxation of property. It provides for land and buildings to be separately valued, the first time since 1861. If it becomes law, the way would be clear for discussion of the draft land-value taxation law which Dr. Pfannschmidt submitted four years ago.

A proposal open to serious objection which, nevertheless, might help to hasten reform of the real estate tax, has come from an advisory committee appointed by the Federal Housing Minister. This is for a tax to be levied by local authorities on vacant building sites. The rate of the tax would be individually decided in each case by the municipal government, and progressively raised until the site was developed.

Two major developments in the field of housing are under active consideration — repeal of rent control, and the handing over to private enterprise of responsibility for erecting subsidised dwellings. Preoccupation with these reforms may explain why the Federal Finance Minister has not introduced the taxation of land values. When these measures come into force, and the building industry is free from compulsion, the price of land will increase and with it the rent of dwellings. Dr. Pfannschmidt concluded his paper with these words:

"However we look at the problem, the housing industry can be successfully embodied into the free market economy only if land value taxation takes the place of the old and inefficient real estate tax. This is a true reform. It will abolish the harmful tendency of industry to over-concentrate in the big towns, and no longer force those engaged in industry to live in skyscraper flats. It will give anybody who is industrious and thrifty and who so desires a chance to acquire property in land and buildings."

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**GATESHEAD** resolution for **LABOUR PARTY** annual Conference at Blackpool next month "urges the next Labour Government to implement by Act of Parliament the principle of rating of site values". Three **LIBERAL** Councillors failed (late July) to persuade **FINCHLEY** Council to call on Government to consider land-value rating as only alternative to what one called "the present unholy jungle".

## Three Short Addresses By New British Members

**T**HE CHIEF SIGNIFICANCE of land-value taxation for metaphysics lies in the challenge it presents to the long-cherished belief that there is a fundamental duality of good and evil. This belief, Miss Shirley-Anne Sanderson said, has held men in thrall since the beginning of history. By its challenge to this belief of duality in one instance, as poverty and wealth, land-value taxation has shaken to its foundations the entire system of thought.

When we say that poverty is not so real as wealth, we do mean that it does not appear as real; we mean that it is not real, in the sense that it is not there in the land in the first place. If it were there in the first place, do we really imagine that our best efforts could ever rule it out? But the land does not contain poverty; it only contains wealth.

Land-value taxation recognises the nature of the earth to be one whole. It brings to an end the divided sovereignty of the land. To have one mind is the fundamental demand. We must either admit that evil is unreal, or resign ourselves forever to it.

The full beauty of the true system of taxation in economics, is only discovered as it is put into practice. But the best way to describe it might be to say that it answers one of those riddles you pull out of a Christmas cracker: What is it that, the more you give to it, the more you find you have? For land, tested by the true system in economics, begins to discover riches unsuspected till then. Its resources seem more to lie in what does not, than what does, appear.

Which concept of the land are we going to accept in our life? The one which is able to bring forth abundantly every desirable thing, or that other which agrees in the beginning that "cursed is the ground"?

**W**ITH PUNGENT ORATORY, Mr. John Kemp declared that Georgeists should argue at least as powerfully *against* Socialism as they do *for* land-value taxation. Throughout the world, he said, Socialism was on the march making a dynamic appeal to the oppressed masses. To the popular mind, "progress and reform" meant more government control. Socialists delude themselves and others with two major fallacies: the notions that "democratic control" and the assumed independence of legislators provide adequate safeguards against tyranny. Mr. Kemp dismissed democracy, the will of the majority, as a red herring, citing examples to show that it lacks any inherent virtue. In a Socialist society, legislators are State employees forced to rubber stamp government policy. Parliamentary democracy is impossible without the existence of a powerful opposition, able to form an alternative administration. Yet in a Socialist society, opponents of state policy are held to be enemies of the state. It is impossible for them to assume power by peaceful, lawful means. Democratic socialism is a myth. The choice

confronting society is summed up in the provocative title of Max Hirsch's great book—*Democracy Versus Socialism*.

**T**HE PURPOSE and mechanics of business amalgamations and the "take-over bids" which have lately attracted great public interest in Britain was explained by Mr. A. Haviland-Nye. In each case they are dictated by considerations of "profitability", the yardstick by which unsatisfied demand is measured. Businesses amalgamate in order to secure an above-average return to capital. This can be achieved either by effecting economies in similar or complementary businesses or by procuring a greater utility of sites, buildings and equipment. Emotional opposition to such moves, whipped up by opponents of capitalism, takes no account of the part played by actual and latent competition in preventing "oligopolistic" concerns from raising their prices beyond the normal competitive level.

Inflation in combination with the traditional system of accountancy, whereby fixed assets are entered in the books at cost and annually depreciated, has led to stocks and shares having a low valuation on the market. This attracts the take-over bidder who is interested only in their capital value and potential earning capacity. Provided that no legislative privilege is bestowed on successful bidders, they are unable to harm the national economy or the individual consumer.

Opponents talk darkly of the alleged menace presented when the resulting gigantic concerns are virtually controlled by a few "ruthless capitalistic business men". Their proposed "solution"—nationalisation—would merely replace by possibly fewer and even more "ruthless" politicians and politically appointed executives, the present executives who have been selected by a severe market test.

An alternative proposal is that profits should be curbed by means of an excess profits tax. This, however, would blunt the businessman's constant drive for economy; it would discourage amalgamations and would militate against the national interest.

If the most economical use of natural resources can best be made by a large corporation, it is in the community's own interest to allow such a firm so to operate. Recent sensational bids and mergers have revealed that a "private" fight is being waged to secure hidden assets and unrecorded land values. Even large, reputable concerns have not been putting their sites to best use. As things are at present, one must wait until a few businessmen discover the whereabouts of such unrecorded value before sites can be fully exploited.

Mr. Haviland-Nye concluded: "The taxation of land values would force such sites into their most economic use without having to wait for mergers and takeover bids, whilst leaving sacredly to the individual or business all their capital assets of whatever nature—and certainly their legitimate profits however high."

## Two Lawyers On The Tax Menace

**H**UMOROUSLY, Judge Max Korshak briefly extemporised on a cautionary theme: *Never permit a camel to stick his head under your tent!* A native of Chicago—"the hog butcher of the world"—Judge Korshak claimed this his State of Illinois is the "tax hog of the world", the most tax-ridden State in the Union. There are 126 hidden taxes on shoes, 154 on soap, 200 on gasoline, 378 on some drugs. Sugar and bread escape comparatively lightly, with 45 and 52 hidden taxes. Super-imposed on the hidden taxes, there is a sales tax which was introduced a quarter of a century ago. Initially the rate was 1 per cent and, to disarm opposition, it was linked with education. Opponents were stigmatised as reactionaries and morons, enemies of schooling. The camel's head was in the tent. Progressively the sales tax has been increased to 2 per cent, 3 per cent and, recently, to 3½ per cent. The camel now has his hump in and threatens to bring the tent crashing! Because of practical difficulties involved in collection, at some price levels shopkeepers charge more than the legal rate, e.g. 4 cents tax on goods priced 94 to 123 cents. The storekeepers, however, hand over to the taxing bodies only the 3½ per cent lawfully due. By this means they are reaping a harvest. Judge Korshak believes that if litigation were brought the Courts would hold the practice to be illegal.

**T**HE BUSINESSMAN who has a thorough grasp of Henry George's principles, Mr. Leon Caminez said, has a tremendous advantage over his less well-informed competitors. There are indications that the banks and the business world are not at all satisfied with the service they receive from the professional economists they employ as advisers. Remarkable testimony to the value of George's principles was contained in a speech which the President of the Western Stock Exchange gave last November to the Convention in Chicago of the National Association of Investment Clubs. Mr. Caminez quoted him as having said: "It is absolutely essential for astute investors to know at least the fundamentals of economics. . . Recently we rediscovered an old and highly regarded institution, namely, the Henry George School of Social Science. They do, in our judgment, a splendid job of teaching the uninitiated these basic fundamentals. We highly recommend them."

Mr. Caminez convincingly demonstrated how the various taxes imposed on goods in the course of production provide, for the large concern, a "built in" element of profit and at the same time tend to stifle smaller, competing firms. Such taxation is an important contributory cause of bigness and monopoly. The Georgeist business man who understood the mechanics of this and other economic phenomena, and who was prepared for the collapse which, in present circumstances, is the inevitable corollary of boom periods, could turn his knowledge to his personal advantage even while campaigning for the abolition of all present wrongful taxation.

SEPTEMBER, 1959

## Resolutions Adopted

### FREE TRADE

**Resolved to transmit the following to the Secretary-General of the United Nations and to the Heads of Governments and Finance Ministers.**

The Tenth International Conference on Land Value Taxation and Free Trade, meeting in Hanover, West Germany, July 25 to August 1, 1959, welcomes the current discussion of the benefits conferred by Free Trade and sincerely trusts that the regional groupings being formed and others under consideration will not lead to economic warfare between rival blocs.

This Conference urges Governments and the United Nations to recognise the simple truth that free commerce among the peoples of the earth would be the greatest civilising influence that the world could know; it would serve increasingly to promote those friendly contacts and understandings that make for an ultimate appreciation of the essential kinship of all mankind. Untaxed and unrestricted trade would put an end to the isolation of any nation. It would, in time, bring into being a League of Peoples more potent for peace than any league of political governments could be.

The Conference passed two other resolutions. One reaffirmed the Declaration of Principle and Policy ("Declaration of Human Rights Based On Equal Freedom") which was adopted by the Eighth International Conference, at Odense, Denmark, 1952, and endorsed at the Ninth International Conference, at St. Andrews, Scotland, 1955. The other read:

*As land value is the only economic value created solely by the presence and activities of the people as a whole it should be the first source of all public revenue.*

### New Zealand Report

**D**R. ROLLAND O'REGAN, Chairman of the New Zealand League for the Taxation of Land Values, was precluded by distance from presenting personally the report he had prepared on the position of land value taxation in his country. This traversed ground already covered in *Land & Liberty* recently—the inadequacy of the National Land Tax, and the League's proposals for its reform; the popularity and steady spread of land-value rating which now provides about two-thirds of local government revenue; and the proposals of the 1955 Local Government Commission and of the 1958 Royal Commission on Local Government Finance. The New Zealand League has vigorously attacked the later Commission's reactionary proposals, the worst of which were that rate revenue should be reduced by one-third and compensated by a 2d in the £ local income tax, and that additional revenue (of £3 million) should be made available to local authorities by imposing a tax of 3d a gallon on petrol. In the financial year 1956/57 nearly £16.7 million of economic rent was collected for public purposes, of which £11.79 million was raised by rating land values only. This is equivalent to about one-third of the economic rent of the country.



# DIARY OF THE CONFERENCE

## Saturday, July 25

*Evening* — Chairman: Ashley Mitchell

8.00 p.m. Formal Opening. In Memoriam — F.A.W. Lucas, Q.C.; formal presentation of his presidential address: "The Challenge of World Problems". Messages from absent members. Election and Induction of Mr. Joseph S. Thompson as President.

## Sunday, July 26

*Morning* — Chairman: The President, Jos. S. Thompson  
11.15. Paper presented *in absentia*: "Irrigation and Land Values in California", by J. Rupert Mason. 12.00 noon. Paper presented: "Trade Barriers — Protestations and Performance", by Ashley Mitchell.

*Afternoon*: Reports on the Henry George Schools.

2.30 Great Britain — V. H. Blundell (Chair: J. L. Geddes); 3.00 U.S.A. — Robert Clancy (Chair: R. D. Benton); 3.30 Canada — Miss Strehel Walton (Chair: Geo. Menninger); 4.00 Australia — E. P. Middleton read report by Mrs. A. R. Hutchinson, Victoria, and reported on the N. S. W. School. (Chair: Charles H. Batty); 5.00 Questions and Discussion on the Schools (Chair: S. G. Evans).

## Monday, July 27

*Morning* — Progress Reports on the Work of the Movement in Various Countries.

9.30 Great Britain — P. R. Stubbings (Chair: Frank Dupuis). 10.00 Australia and New Zealand — Chair: Charles H. Batty. Formal presentation of papers by A. G. Huie and Dr. Rolland O'Regan; Report by E. P. Middleton on N.S.W. and by Mrs. A. R. Hutchinson (read by Mr. Middleton) on Victoria. 11.00. Holland — S. Sevensster (Lantern Lecture), Georgeists and land reclamation. 11.45 Spain — Mrs. Maud Willott read report by J. Paluzie-Borrell. 12.00 noon U.S.A. — Reports by Judge Max Korshak (Chicago), S. G. Evans (San Diego) and R. D. Benton (Detroit). Mrs. Menninger read report by John L. Monroe on the Commerce and Industry Division, Chicago H.G.S., (Chair: G. M. Menninger).

2.30 Paper presented: "Pathways to Land Reform", by Miss V. G. Peterson (Chair: Judge Max Korshak). 3.15 "The Story of the Georgeist Movement", by Robert Clancy (Chair: S. G. Evans).

4.30. Three short addresses by new British members (Chair: V. H. Blundell): "Amalgamations and Take-over Bids", by A. Haviland-Nye; "The Metaphysical Import of Henry George's Ideas" by Miss Shirley-Anne Sanderson; "The Challenge of Socialism" by John Kemp.

## Tuesday, July 28

*Morning* — Chairman: Ralph D. Young  
German Guests in Attendance.

Papers presented: "The Danish Government" by Dr. Viggo Starcke and "Will West Germany Introduce Land Value Taxation?" by Dr. Martin Pfannschmidt. 12.00 noon. Personal Report by Erich Zincke.

## Afternoon

2.30. Paper Presented; "Land Value Taxation in Austria", by Philipp Knab. Chairman: R. D. Young.

3.00 Papers presented: "Trade Blight Over Europe" by S. W. Alexander, M.B.E., and "Free Ways to Free Trade" by Dr. Sven Rydenfelt. Chairman: Dan Bjørner.

## Evening

8.30. Civic Reception in the Hanover Town Hall. Address of Welcome by Burgermeister Barche and response by the President. Formal Presentation by Miss V. G. Peterson to the Burgermeister of German translation of *Progress and Poverty*.

## Wednesday, July 29

9.30 Paper presented: "Pharaoh Had A Dream", by Dr. Viggo Starcke. Chairman: Frank Dupuis. 11.15. Study Groups as follows: "Abolish All Taxation . . ." Pavlos Giannelias; "Propaganda" J. J. Pot; "Money" R. D. Benton.

## Afternoon and Evening

Coach Excursion to the Harz Mountains

## Thursday, July 30

9.30. Short Addresses and Reports: Chairman, Ole Wang: "The Georgeist Youth in Denmark", by Agnar Christensen; "Fundamentals", by J. J. Pot; Confidential Report by S. G. Evans; The Robert Schalkenbach Foundation, by Miss V. G. Peterson. 11.30. Paper presented; "Is 'Progress and Poverty' Outdated?", by Victor Saldji. Chairman: W. E. Fox.

*Afternoon* — Chairman: Frank Dupuis

2.30. Report on France by Gabriel Stampfer. 3.00. Short Address; "Henry George's Principles and the Business Man", by Leon Caminez. 3.30. The Audience Replies — A general discussion on points that had arisen; questions asked and answered by the audience. Coach trip to study residential and industrial development in Hanover.

## Friday, July 31

*Morning* — Chairman: R. J. Rennie

9.30. Short Address, Inflation, by Knud Tholstrup. 9.45. Paper presented: "The First Step in Land Value Taxation", by Dr. Glenn E. Hoover. 10.30. Paper presented: "The Building: Land-Ratio" by Dr. David B. Ascher, M.A.I.

## Afternoon

2.30. Audience Quiz, "What Is Your Opinion?" conducted by Robert D. Benton and T. E. Baker.

4.30. General Meeting of Members to Elect Officers and Vice-Presidents, etc.

## Evening

Farewell Dinner, Ashley Mitchell presiding. Tape recorded message from J. Rupert Mason. Presentation by Miss V. G. Peterson of *Fortschritt und Armut* to the Hanover City Librarian. Speeches by Erich Zincke, Peter Middleton, Dan Bjørner, Leon Caminez, Victor Saldji, Dr. D. B. Ascher and Dr. Martin Pfannschmidt.