

Sydney Mayers

VIEWS THE NEWS

New York's property owners are angrily resentful regarding the considerable rise in taxes on "real estate," which of course includes both land and improvements—but they are only half-right. Actually, the tax on improvements is far too high (it should be zero), but the tax on land values is far too low (it should be 100%).

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An executive of Kaiser Industries, which made sales totaling \$1.3 billion and earned a profit of \$46 million in 1964, when asked the "secret" of these accomplishments, replied simply, "We find a need and fill it." This is *multum in parvo*: not only is it economics in one lesson, but in one brief sentence.

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It is droll to see that Britain's Labor Government is pressing boldly toward its goal of a planned and nationalized economy, while the Soviet Union is at least experimentally instituting relative freedom in various phases of its industrial enterprises. It seems that at the same time the USSR is beginning to realize the mistakes it has made, the UK is preparing to make its own.

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Congress has been busily engaged with legislation to cut excise taxes by an estimated \$4.8 billion a year. The idea is great—except that, since the US Treasury is running over \$5 billion in the red annually, we wonder what kind of arithmetic they use in Washington, D. C.

The printshop gremlins have a fondness for Syd Mayer's copy and we have again apprehended mischief. In the June HGN Mr. Mayers ("Darned Clever, These Chinese") writing of Hong Kong, tried to say that two distinctions, its free trade and favorable tax structure, contributed to its amazing, not amusing, progress.

Federal Reserve Chairman William McChesney Martin's statement, that he sees in today's boom psychology disquieting similarities to that which preceded the 1929 crash, brought a quick retort from the National Administration, to the effect that "it ain't necessarily so." May we respectfully point out that depressions are not caused by "boom psychology," nor prevented by governmental optimism, but naturally and inevitably result when too little of the wealth produced reaches those who produce it?

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The cost to the taxpayers of Saskatchewan's "free" medical care program, which was \$19,400,000 during its first year of operation is expected to reach \$23,000,000 for 1964. Whatever the merits or demerits of this welfare project may be, should we be not at least be spared the hypocrisy of calling its benefits "free"?

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Speaking at Syracuse University's commencement exercises, Commerce Secretary John T. Connor challenged Americans to learn more about how the US economy works, declaring that "by increasing knowledge of economics we strengthen the American free enterprise system." We suggest to the young men of Syracuse (and elsewhere) that the best way we know to "increase knowledge of economics" is to read a book called *Progress and Poverty*—or, better yet, take a basic course at the Henry George School.