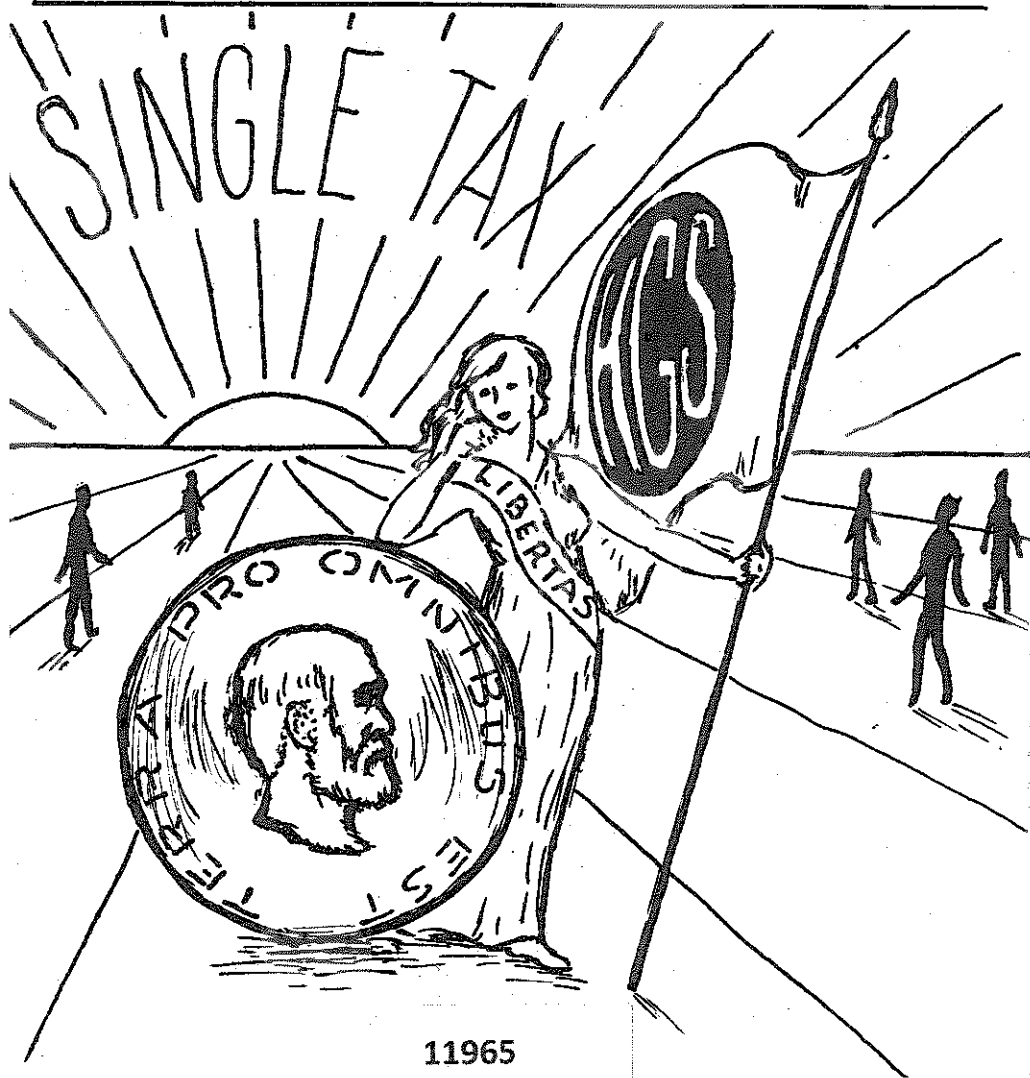


Alumni Bulletin

MAR.-APR. 1957



ALUMNI BULLETIN

Dear Reader:

There is one activity I earnestly recommend to all Georgists - and that is letter writing, especially letters to editors.

It's remarkable how high is the percentage of letters to editors that are printed. This is probably not true of giant circulation magazines like Life, but it is true of most city dailies. They are glad to hear from readers, and not nearly enough readers express themselves in writing.

You will often spot something in the papers that will give you an opening for a Georgist letter. Usually, a short letter that responds to something which appeared in the paper, and that is to the point, will get printed.

Occasionally you will see a mention of Henry George. Don't by-pass this opportunity to tell the editor you were glad to see George mentioned. If the mention is unfavorable, a cogent reply would be in order.

Friends often send to the School clippings that mention George, or taxes, or the land question, suggesting that we reply. Some of the items sent in do merit an answer from the Henry George School - but often the item could just as well be answered by the friend who spotted it.

If you see a news item you think should be answered, why not sit right down and write a letter to the editor? We'd be happy to see both the clipping and a copy of your reply. We might still answer, but if we're too pressed for time, it has at least been answered already. Some friends hesitate to write a letter because they are too modest about their ability to reply. But even a modest reply is all right, so long as it is prompt. By the time we get the item and by the time we get a chance to reply, it's often too late.

If, for instance, you see an item classifying Henry George as a socialist, you can simply write the editor something like this: "Henry George was not a socialist. He believed in a free economy and was opposed to socialism." Yet some friends send us such items, feeling that they are not qualified to reply!

So I hope you'll get your pen busy and try out some letters to editors!

Sincerely,

Robert Clancy

ALUMNI MEETINGS



Hungarian Freedom Fighters in action at February meeting.
For details see "Scene Around" page of this issue.

The Suez Question from a professor's point of view was presented to the Alumni at the March meeting by Dr. Norwood Russell Hanson. He is an American citizen who has been living and teaching in England for over ten years. Photo of Dr. Hanson is in lower right hand corner.

DOGMA IN ECONOMICS

S. T. BONEE

J. Langmead Casserly, an English churchman, is the author of an absorbing book entitled "The Bent World (Oxford University Press-1955), which is an analysis of Communism, Capitalism, and Modern Society as seen from a Christian's point of view.

The contents of the entire book are of interest, but the purpose here is to summarize the thesis of one particular chapter, that has significance, for the purposes of evaluation at least, to students of economics.

The thesis of this chapter is:- the undesirability of dogma or ultimate principles in economics. Dr. Casserly asserts at once, that dogma is permissible and necessary when concerned with ultimates and finalities, for, if there are any absolute values, of necessity, they must be dogmatic in form.

Christian dogmas, he thinks, are in the realm of the absolute, but to maintain that secular, social relations with human adjustments, in an ever changing world can have a dogmatic form, is emphatically inappropriate.

Certainly economic doctrines, the author states, are non-dogmatic. History acquaints us with a large number of different economic systems, some of which have elements of merit or demerit, but none of which are completely satisfactory.

If there are no perfect economic systems, then, says Dr. Casserly, there are no perfect economic principles. The outstanding claim to finality and perfection is made by the communist theorists - and there is little to gain by advancing verbal claims for perfection by those who favor democratic principles.

Moreover, the author believes that the age-long controversies between those who believe in absolute values and those who believe in pragmatism is a *spurious* and unrewarding debate. Rather, he says, it is the task of the philosopher to distinguish a realm of the absolute and a realm of the pragmatic.

There are no economic ends - so proceeds the argument - only economic means to desirable social ends. What is expedient for one type of economy may not be so in another set of circumstances. The author points out that the concept of an absolute, economic system as a universal pattern to all forms of society is in fact the core of the Marxian philosophy.

The basic error in the assumption that there is a set of absolute economic principles is this: Science, says Dr. Casserly, is not a quest for the absolute (would we in fact know an absolute if we found it?) but a search for more adequate interpretation of facts from a less adequate interpretation. We simply describe phenomena with the present knowledge at our disposal.

Using the theory of market equilibrium as an example, the author concludes that this is simply a statement of what happens in a given situation, but it is not a description of what happens universally, or in any conceivable situation.

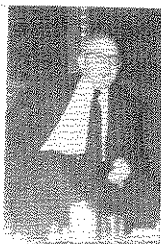
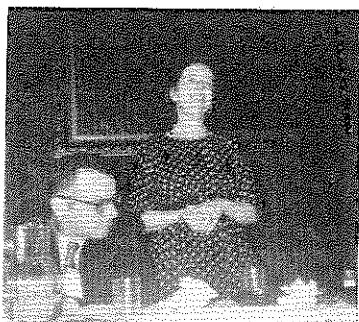
The situation that Dr. Casserly describes seems related to the position of the modern economists, especially the dissenters to the classic economic system which still is a point of departure in economic controversy. They too hold that we should concentrate on observing under what particular conditions their recommendations are expedient, and under what conditions they are inexpedient. Are there situations when socialistic devices bring an advantage? (not transient but lasting we hope) Is free enterprise always feasible and desirable?

Such in brief is a simplified summary of Dr. Casserly's challenge to the proposition that economics is a science. Rebuttal anyone?

A Film About Henry George's Philosophy

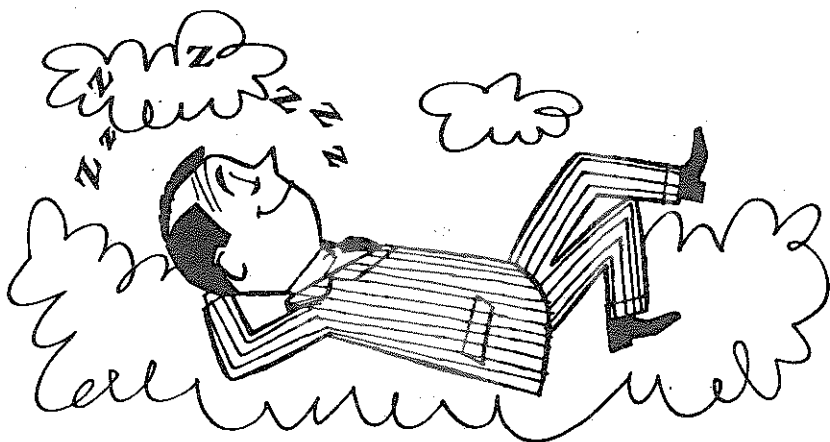
CAN YOU WRITE THE SCRIPT?

At the March Faculty Meeting, Miss V.J. Peterson, (center) and Mr. George Proctor, (lower right hand corner), publicity man for the contest announced that potential authors are being given an opportunity to display their talents in connection with making a Georgist motion picture.



LAND VALUE TAXATION

Mr. Bronson, (left hand corner) who has been making a survey of land values in Australia gave a comprehensive report at March Faculty meeting.



Million Dollar Dream

I dreamed I had a million dollars and need never work again.

◆ I thought of all the things I could now do because I had a million bucks. I would have the fanciest food money could buy.

I would buy a fine house. Only the sportiest and most expensive automobile would suit me from now on. Clothing? Only the richest and finest would ever cover me again. Oh, I was in clover all right. My fondest wishes had come true.

◆ In my dream I dressed and, being hungry, went to breakfast. There wasn't any. My wife was in tears. The food she had ordered the day before hadn't been delivered. Not even a bottle of milk or the morning newspaper greeted me when I opened the door.

I tried to telephone the grocery but the line was dead. I said, "Oh, well, I'll take a walk and bring back something for breakfast."

◆ The street was deserted. Not a bus, street car, or cab was in sight. I walked on and on. Nothing in sight. Thinking something had happened only to my neighborhood, I went to another.

Million Dollar Dream reprinted by permission
of The Employers' Association of Chicago.

Not even a train was moving. Then people began to appear on the street — first, only a few, then many, then hundreds. I joined them and began asking questions: "What has happened? Where can I buy food?" Then I got the jolt. Somebody said, "Don't you know? Everybody has a million dollars and nobody has to work anymore."

◆ At first I was stunned. I thought that somehow a mistake, a ghastly mistake had been made — but there was no mistake. It was really true. Everybody had a million dollars and thought that work was over for him.

◆ Then it dawned on me as never before that all of us are dependent upon all of the rest of us; that to a small extent at least my labor had a place, a part, in the total welfare of mankind. With an angry shout I tossed to the winds even the thought of a million dollars.

◆ Then I woke up. My dream was over. The sun was shining, the birds singing, my wife rattling the breakfast things. I looked out the window and saw a world of people moving about their tasks, each contributing a little to my life and living, just as I contribute to theirs. I called to my wife, "Hurry up with that breakfast, sweetheart, I want to get to work."

EDITOR'S NOTE: This fable, reproduced by permission of The Employers' Association of Chicago, illustrates that money is not wealth. Nor has it exchange value except as the owners and producers of goods and services find that it facilitates their trading with one another.

A society of nothing but consumers is indeed a dream that no amount of money can bring to realization. Anyone who attempts to issue money with no provision for its redemption in goods or services is due the same rude awakening that is in store for every dreamer of something for nothing.

Million Dollar Dream was also reprinted in
March 1957 Issue of the Freeman. Note
Freeman's Editor's note above.

No Boom Lasts Forever

by Henry Hazlitt



THE English-language edition has just appeared here of an important and illuminating book—"Common Sense Economics" by L. Albert Hahn (*Abelard-Schuman*, \$4.50). In addition to being a brilliant refutation of some of the chief fallacies of Keynesian economics, it includes one of the most persuasive discussions of the business cycle, as well as the shrewdest theoretical analysis of price formation on the stock markets, that I have ever read.

But the reader should be warned that the book is not, as its author seems to imagine, a simple introductory text—"a sort of minimum economics for the businessman." For an introductory work Hahn's exposition is much too technical, condensed, and abstract. And though Hahn's style is studded with incisive epigrams, his book is not on the whole easy to read, because his sentences are often involved and "Germanic."

Yet readers who come to the book with an adequate theoretical background will value it highly. Its correctives are particularly needed at the present time, when nearly every government in the world, most notably including our own, is looking at events through Keynes-colored glasses, and assuming that the present inflationary boom can be continued forever, provided only that the government will continue to spend and spend, inflate and inflate.

PROPENSITY TO WORK

Hahn shows what is wrong with this theory and policy. "The propensity to work," he insists, "and not the propensity to spend, is the foundation of national income and wealth." No inflation, he points out, can be continued forever. The stimulus of any dose of inflation, no matter how large, must ultimately exhaust itself.

The government is then faced with a dilemma—or rather a trilemma. If it tries to deflate the money and credit supply back to where it was, it will bring on price collapse, unemployment, bankruptcies, and perhaps prolonged depression. Even if it decides merely to prevent the inflation from going farther, it may find itself in trouble. For during any prolonged inflation more and more people begin

to act on the assumption that the inflation will continue. Many security prices and commodity prices, many wage rates, many ambitious building and other capital-investment projects, are based not merely on the existing inflation but on the belief in a still further inflation. When it is clear that an inflation has been stopped, these anticipatory prices fall. Overambitious investment plans are scaled down or abandoned. This creates what European economists call "the stabilization crisis."

INFLATION A SWINDLE

If, unwilling to take the risk even of a stabilization crisis, the government continues to inflate (by cheap-money policies, housing subsidies, mortgage guarantees, farm subsidies, and even bigger spending), the boom may indeed be kept going longer. But it can be kept going only at an ever-increasing risk, not merely of a greater economic crisis at the end, but of a collapse of the nation's currency and credit.

And there is no assurance, even so, that continued inflation can keep a boom going up to this point, much less that it can guarantee continued "full employment." It can keep prices rising, but it cannot assure continuance of volume prosperity. The supposed magic of inflation, in fact, consists entirely in the maintenance of "the money illusion." Once that is seen through by all major groups, the boom collapses. Inflation is essentially a swindle and cannot be openly planned. Creditors increase the interest rates they demand to compensate for the expected further depreciation of the currency. Labor unions demand wage increases that outrun both price and productivity increases. Inflation can "work" only as long as prices keep ahead of costs and maintain profit margins. The moment costs run ahead of prices, the joys of the spree are over, and only the headache remains.

And the sad part is that the whole binge is seen to have been unnecessary. Reasonably full employment could have been maintained all along, without inflation, by a sufficiently free and fluid adjustment of wage rates to prices and of prices to each other.

SCENE AROUND

LARRY KOSAK

On February 24th, the birthday of Oscar Geiger, founder of the school, our regular monthly alumni meeting was held. (Perhaps I should not say "regular" as this was no ordinary meeting.) The meeting was given over to refugees who had taken part in the recent uprising in Hungary and from start to finish the air was charged with excitement.

During the question period one woman stirred up a ruckus by accusing the Hungarians of running away from a fight and leaving their comrades to die. Mr. Attila Samay, the translator, attempted to answer her by pointing out that her reasoning would also serve to derogate the founders of our nation who left lands of oppression in quest of freedom and opportunity. At this point she broke in with: "Are you calling us cowards?"

This seemed to act as a spark applied to a powder keg, for several people rose to denounce the lady. The denunciations were rather vigorous and were met with threats of violence from our lady friend. Fortunately, nothing was done to implement the threats. (Perhaps because she was outnumbered. The auditorium was filled to capacity and then some.)

This meeting certainly substantiated that old saying that truth is stranger than fiction. Experiences were related by eyewitnesses and participants: e.g. eight and nine year old girls heaving Molotov Cocktails (homemade incendiary bombs) at oncoming Russian tanks.

Among those who took part in the meeting were: Mrs. Emery Berczeller, Hungarian teacher and lecturer, Mr. Robert Major, who acted as General Chairman, and Mr. Attila Samay, who served as translator. With the exceptions of Mrs. Berczeller and Mr. Major, all of the participants were furnished by the Federation of Hungarian Freedom Fighters.

A meeting such as this, is certainly one to stimulate thought and we are looking forward to more of the same.

* * *

It is rumored that Maurice Roy, Manager of the Henry George School Coffee Shop, will soon be adding a judo course to the curriculum of the school. Mr. Roy, a former instructor in judo for the United States Army plans to give the course on Saturday mornings (or so we hear).

* * *

We have it from a reliable source that a prominent Georgist will shortly announce, at a public meeting where he is to be the guest speaker, his refusal to pay his income tax. The resulting fireworks may have the effect of giving the George philosophy some nationwide publicity.

SCENE AROUND

LARRY KOSAK

George Washington's Birthday was the date for an extremely productive volunteer party at the School. Taking part were Pierre Wertz, age 14, Lois Hempe age 13, and Virginia Hart, age 10. Lois and Virginia are nieces of Robert Clancy, the School's Executive Director,

* * *

James Murphy, that prolific minded instructor of ours who always seems to be coming up with still another good idea has done it again.

Mr. Murphy suggests that our effort to acquaint influential people with the philosophy of Henry George would be aided greatly by the school's sponsoring a conference for creative people.

Conferences seem to enjoy great popularity among scientists writers, artists, and others in the creative fields (especially when they go on the expense account).

The idea is to invite members of these professions to attend a conference at the Henry George School with the following object: Since the politicians have failed in arriving at a means of pulling the human race out of the headlong dash towards H-Bombing and self-annihilation, it is time for someone else to take over: i.e. the scientists, writers and other thinkers who make life worth living by their creativity.

Once these people were invited to submit papers for possible presentation at the conference their vanity would provide a powerful incentive for attendance. The papers would deal with ways and means of bringing about world peace, insuring prosperity, etc.

During the conference the single-tax point of view would take a prominent place thus exposing a number of influential and presumably receptive individuals to the George philosophy.

* * *

Getting students for the Henry George School is a gradual process. The most important method which the school uses in getting its enrollees is the direct mail approach. Four times a year we send out upwards of 100,000 triple post-cards advertising the course. We get a rather good return of over one percent.

SCENE AROUND

LARRY KOBAK

This is a good return but it could be better. Successful advertising and repetition go together. Everytime someone hears a reference to the Henry George School it prepares them for a favorable psychological reaction to the receipt of a card -- it makes them more likely to read the announcement instead of throwing it away.

Citing an instance, one of my students mentioned that the deciding factor in her enrollment was that she associated the Henry George School with the George Jr. Republic (some sort of Boy's Town). Of course there is no relation between the Henry George School and the George Jr. Republic, but this confusion was responsible for our getting a student.

You can help increase the number of enrollees, and with little exertion on your part. The next time some friend asks: "How are things going?", or "What are you doing with yourself nowadays?", casually mention that you are attending the Henry George School. You need do no more. This reference will lay the psychological ground work for the time when your friend will receive a Henry George School enrollment card in the mail.

PROJECT COMPLETED

Sometime ago upon a request by Ken Kern of Oakhurst California, "Sage Inc." undertook to write a short summary of Progress and Poverty suitable for a tape recording. Mrs. Mabel L. Rees wrote the script and Mr. Frank Bang made the recording. On March 26, 1957 Frank Bang received the following letter--

DEAR MR BANG---- The recording has been circulating among interested people in the PRODUCTIVE LIVING MOVEMENT. We are collecting recordings from other "like minded" organizations in the hope to build up a library of tape recordings relating to advanced concepts of GOOD SOCIETY. -----

Ken Kern

Alumni Bulletin--Published by the Alumni of the Henry George School of Social Science, 50 East 69 Street, New York 21, New York.

Roma Bianco, Chairman; Sumner Bohee, Neva Bianco, Vivian Kiliaen-Rodney, Larry Kobak, Rita Kobak.

HAPPY BIRTHDAY

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The SILVER ANNIVERSARY

Of New York's Georgist School
Proclaims success in George's way
To spread THE GOLDEN RULE;
To give to each a better chance
A happy life to lead,
And thus to make of brotherhood
A universal creed.

M.L.R.

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