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HENRY GEORGE SCHOOL MAGAZINE



HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

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(Edited by a panel of Tutors)

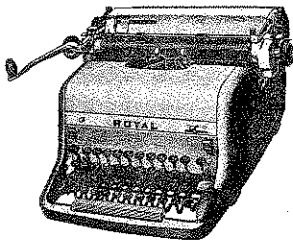
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Vol. 3, No.10.

October, 1954.

Editorial



In the Evening Standard, September 8th, there was an item headed "Do Conductors Deserve more than Drivers?" The point at issue seems to be whether the Driver or the Conductor of the vehicle has the more responsible and arduous task and therefore deserves more pay.

One can imagine how this kind of argument would proceed. For the Conductor there would be his continual running up and down stairs with loads of coppers pulling him down; his arguments with overheated homegoers who cannot get on his bus; his responsibility for giving the correct change; his being on his feet all day and having to balance in the swaying of the bus, etc., etc. For the Driver one can develop a theme with similar conviction.

Where does all this lead to? The simple fundamental principles of economics are ignored - in this case the Law of Supply and Demand. As man seeks to satisfy his desires with the least exertion, he will tend to take that kind of a job which, considering the pay, he will find most congenial. If Drivers' jobs are easy to fill because of this and Conductors' places harder to fill, then it is only by Society offering greater rewards to the Conductors than the necessary places will be filled. It is as simple as that. Nevertheless today, with the economic life of the country entangled in a mesh of subsidies, allowances, grants, special favours and with the honest but misguided efforts of Trade Unionists to keep their own particular jobs with maximum pay and conditions, the simple laws of competition are ignored. It is every man for himself and every group for itself and never mind the rest.

The incident recorded here is not of itself of any importance at all. We do not side with the Conductor or the Driver, but it is sad to see responsible people entering into a discussion of this kind, without realising its implications.

AN OPEN LETTER TO A PROFESSOR
by W. Bowler
(Welling branch of the School)

Professor J. Bronowski
C/o B.B.C. London, W.1

8th September 1954

Dear Sir, As a technician in the Mechanical Engineering field and one without engineering degrees, you will be correct if you assess me as one of no importance who stands in need of further education. At the same time, the link between science and engineering provides more than adequate reason for my interest in the proceedings of the British Association just terminated.

Last night, in company with other distinguished scientists, you appeared before the cameras of British Television. Now the scientist has (or so I am informed) an impartial, free and unbiased mind. He is said to seek Truth wherever she may be found and to follow fearlessly wherever she may lead. In company with your colleagues, you considered a question put to you which linked science with Political Economy. I understand that: (a) you doubted whether Political Economy was entitled to be considered a science at all, and (b) you were favourable to a scientific approach to discover just how science might most greatly benefit mankind - instead of being prostituted to man's destruction, or other unworthy ends.

My purpose in writing to you is to state that Political Economy is a science as exact and harmonious as mathematics or any other branch of science. Should you still think that the man-in-the-street could be better educated, I suggest you enquire at the Henry George School of Social Science, 4 Great Smith Street, London, S.W.1 and see what they have to offer a critical and analytical brain. Probably you will re-learn facts you already possess but which obviously you have never co-related: and without this knowledge in conscious form no man can claim to be really educated.

No one seriously disputes that twice twenty makes forty. (No vested interest stands in the way). When you proceed to investigate the production and distribution of wealth, you will encounter pressure groups interested in preserving privilege who will go to any length to distort this branch of science. What happens to a branch of science is obviously a matter for scientific investigation but it will take men of courage to state their findings. Most men are prepared to see man perish either by disinclination to investigate or by refusal to see the obvious.

Yours sincerely,
(W. Bowler)

LAND MONOPOLY IN SOUTH AMERICA

(Contributed by S. W. Broder)

In the August number of the School Magazine, an article entitled "Answer to Malthus and the Reformers" dealt with the land problem in Bolivia and other parts of Latin America. In my studies of the Geography of South America I came across some interesting facts which are particularly relevant to this question. The following are extracts from "Latin America" by Preston E. James of the University of Syracuse (in the U.S.A.):

"The story of the attempt to provide Cochabamba with a rail connection with the highland mining communities illustrates the difficulties involved. Between 1913 and 1917 work on a railroad was in progress. In anticipation of the final solution of the problem of access to the market, there was a land boom in the Cochabamba Basin. Despite the reluctance of the landowners to sell even parts of their estates, certain pieces of land actually were sold but for prices ranging as high as \$2,000 per acre. But the railroad which cost more than \$154,000 per mile had either to tap a large volume of traffic or charge very high rates. The area served could not provide enough traffic to make low rates economically profitable and high rates prevailed. Thus as a result of costly transportation, heavy mortgages and high land valuation, only losses came to the landowners. The general depression which followed cast a gloom over the community from which it has scarcely even now (1950) recovered. Later when the railroad was extended to Cliza there was no land boom in that district." This is a fine example of Henry George's theory of the trade cycle. There is the boom which eventually collapses because the price of land is forced up so high by speculation that profitable industry cannot carry on. Then according to George eventually land prices again fall to a level at which production becomes profitable. This enabled the railway to be extended to Cliza.

Professor James has much other information:

"In the vale of Chile (where 90% of the people of Chile live) 98% of the land in farms was included in 3% of the properties". This land was originally obtained by grants of "Ecomiendas" by the Spanish crown. "These were not grants of land but rights to collect tribute from Indian communities", but "...outright grants were sought and there were vast estates measured in square leagues for officers of higher rank."

The result is that today: "He (the Chilean Landowner) is widely travelled, he is familiar with the world's Arts and Literature. The

landowner would be ashamed to permit any of his "inquillinos" (tenants) actually to starve but no pressure of opinion forces him to raise their standard of living above the bare necessities of life."

There is a similar pattern in Argentina:

"...after which (the Indian Wars of 1829-83) many of the officers of the army were given grants of more than 100,000 acres each. Soon after 1880, the last of the Public Domain on the Humid Pampa had passed into private hands...

"The railroads ... brought unheard of prosperity in the form of booming land values and "In Argentina, the land, even before the coming of the railroads was already partitioned in large units and given to a favoured few in government grants."

Paraguay is another country of great estates and low wages but:

"...while the Paraguayan people are burdened with poverty, the land goes on offering bounteous crops." Professor James attributes this to Paraguay's wars but the last Chaco war ended twenty years ago.

In Brazil there is much land speculation and Professor James mentions:

"Surrounding the suburbs (of Sao Paulo) are miles and miles of unoccupied residential subdivisions laid out optimistically in the boom years before 1930."

DATES FOR
YOUR DIARY

DISCUSSION
LECTURES
at
CHURCH HOUSE
on

October 13th
November 17th
December 15th

Dr. Julian Duguid, another eminent Geographer of South America, supports the foregoing. In a recent series of talks in the B.B.C. Home Service on "10 Weeks in Brazil", he talked about the great land speculation fever in Southern Brazil. He said that people there have a great and patriotic faith in the future of Brazil and they show this by investing all their money in the land of Brazil. The result is the urban sites in Paranagua are astronomically high in price, while the buildings, there, are ramshackle.

More information about land monopoly in South America is contained in a book entitled "The Republics of South America". It is written by "a study group of the Royal Institute of International Affairs", published in 1937 by the Oxford University Press. The following quotations speak for themselves. The first one is about the communal land holdings of the Indians of the Andes.

"The communities have no written deed to establish their rights ... and in most cases the Mestizos (persons of mixed Indian and European blood) have seized much of the community land from the

"LAND USE IN LATIN AMERICA HAS TRADITIONALLY BEEN CHARACTERIZED BY SEARCH FOR QUICK PROFITS THROUGH PRODUCTION OF SINGLE CASH CROPS OR SPECULATIVE LAND BUYING. IT IS REFLECTED IN SOIL-MINING PRACTICES AND IN HOARDED LAND (KEPT IDLE WITH AN EYE TO INCREASED DEMAND)." - From 'Latin America in the Future World'.

Indian owners by methods which do not bear close inspection... To visit the surviving communities in many parts of the Andes requires heroic journeys into regions almost beyond the ordinary pale...

"Comment is sometimes excited today (1937) by the spectacle of Indians in Bolivia being driven to buy back from avaricious whites or Mestizos, land which has really belonged to them from time immemorial. The same land is known to have been bought back at prodigious sacrifice several times over within one man's lifetime." and

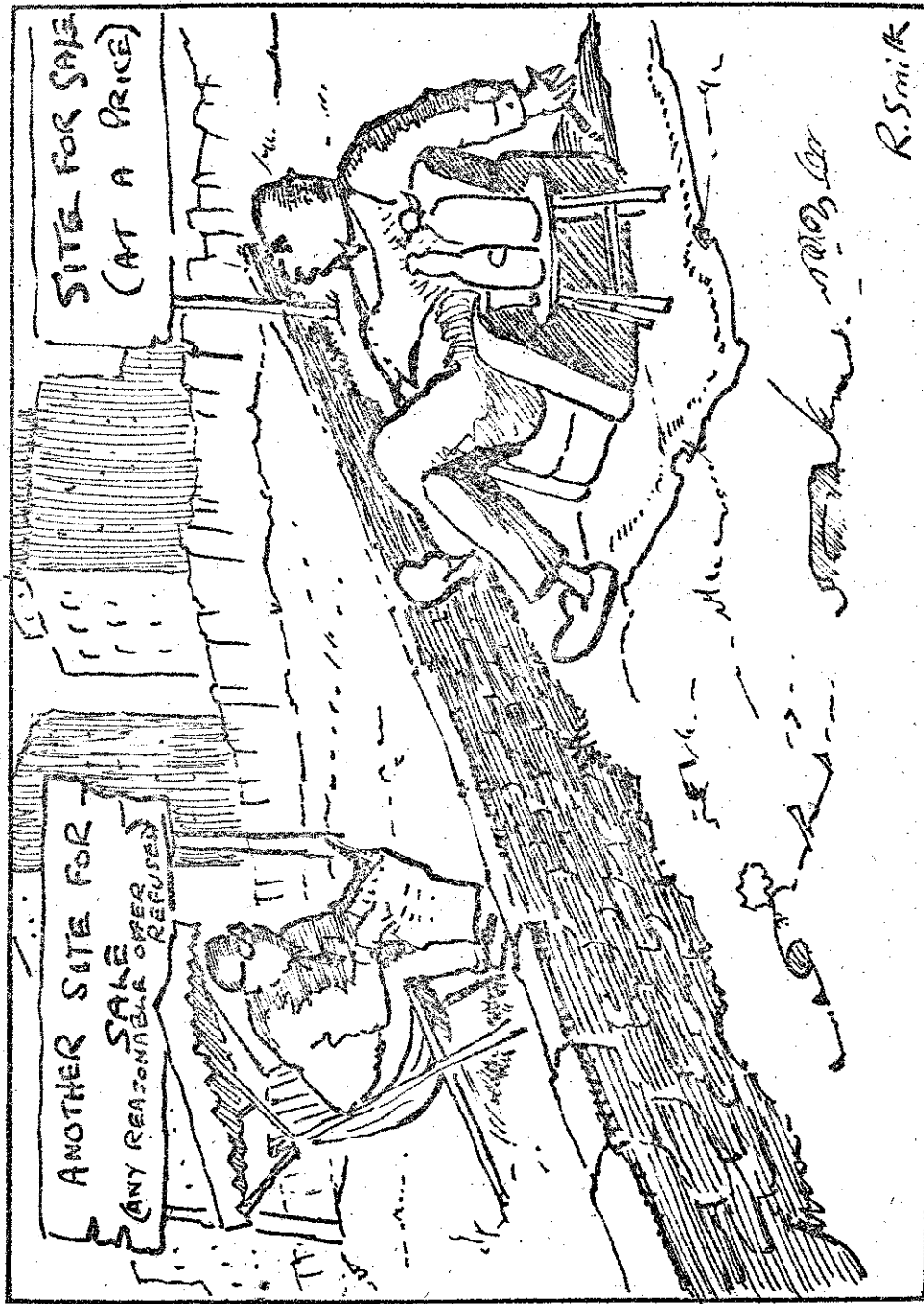
"On these Peruvian and Bolivian Latifundios (great estates) the law of the land is hardly observed unless it receives the consent of the owner. The authority of local administration or Political officers is always subordinate to that of the landlord and the latter by time-honoured tradition considers the Latifundio as outside the influence of the state. Neither does he preoccupy himself in the faintest degree with the civil rights of the population within the confines of his estate. He will even charge taxes, grant monopolies, restrain or permit transport and business, at the same time regulating the social and family customs of those who live on his land."

"The Republic of South America" quotes from Dr. Ponce de Leon of the University of Cuzco (Peru).

"In the province of Anta, the owner grants the use of his land on the following conditions: that the tenant on his side supplies the capital, i.e. seeds, manure and the work necessary for the cultivation of the crop up to the harvest. Once the harvest is gathered the landlord and tenant divide the product equally, that is to say each of them receives 50 per cent of the profit, although the landlord has not done anything beyond granting the use of his land without even manuring it. But this is not all. The tenant is bound to help personally in any work required by the landlord but he receives for this service the usual remuneration of 25 cents daily."

STOP PRESS!

The lecture-discussion at Church House to be held on Wednesday, NOVEMBER 17TH at 7.00 pm., will be on the subject of "Aid to Under-Developed Countries". Mr. Godfrey Evans, Secretary for Economic and Social Affairs of the United Nations Association, will speak on this subject and on the campaign "War on Want". Have these people got the right approach? Don't miss this valuable talk and discussion.



R. Smick

"WHAT'S ALL THIS TALK ABOUT HOLDING LAND OUT OF USE?"

EVERYBODY WINS IN FREE ENTERPRISE

By H.G. THUESEN, P.E.

The free market alone will not secure social justice. It is, however, logical, just and highly efficient. Unfortunately it is often made the scapegoat for the maldistribution of wealth.

Eds.

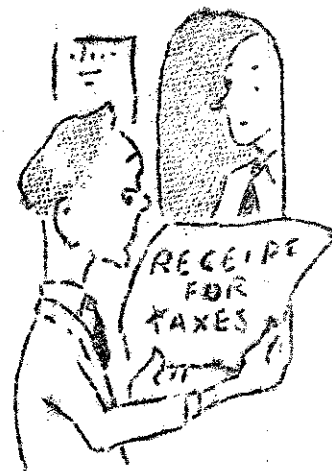
THE nature of free enterprise is such that everybody concerned with it wins. To understand how this can be one must understand the economy of exchange. If Mr A has a piece of apple pie but prefers banana pie and if Mr B has a piece of banana pie and prefers apple pie, each can exchange a piece of pie which he values less for a piece of pie he values more. Both participants in the exchange have gained. Before the exchange took place, there was an evaluation at the point of exchange by each of the participants. If either person had concluded he would not have profited, an exchange would not have taken place. The reason that everybody wins in free enterprise is because of the evaluation at the point of exchange.

Suppose that, in a system of free enterprise, there are a number of competing private concerns making potato chips. In this system, let us consider an individual concern in light of the economy of exchange explained above. A farmer who has more potatoes than he needs may seek to exchange his potatoes with the potato chip concern for cash. Before the exchange will take place, there is an evaluation at the point of exchange to determine the prospective advantage for each person. If an exchange takes place, it is prima facie evidence that each gets out more than he puts in. The workman who seeks employment with our potato chip firm will not accept employment unless he determines through an evaluation at the point of exchange that the burdens of working are more than offset by the advantage of the wages and other benefits he receives.

Consider now a man who has an item of equipment that can be used in potato chip manufacture. He will exchange it only if the dollars he receives for the item have greater value for him than the equipment he surrenders. Suppose our potato chip maker needs money to finance expansion. A banker who has idle dollars will surrender a number of them after his evaluation at the point of exchange assures him that he will receive a return of a suitably larger number of dollars later. Now consider the customer. He comes with money in hand and perhaps an appetite for potato chips. But before he surrenders his money he, too, makes an evaluation at the point of exchange. If, and only if, he values potato chips more than the money he must surrender for them is an exchange consummated. Note that a private concern in a system of free enterprise is an entity of such charact-

istics that all people who deal with it, material suppliers, equipment dealers, money lenders, workmen, and customers, contribute what they value less and receive what they value more. There is a net gain for each person. Also, where there are several competing enterprises, each person is free to deal with the organisation that returns the most for what he contributes. Thus there is a natural selection of those firms who are capable of operating so that each person, whether he be a material supplier, equipment dealer, a workman, a banker, professional man, or customer, receives the most for his contributions. Any firm that cannot compete under these conditions fails.

Socialistic enterprises have two fundamental characteristics that lead to inefficiencies. First, since there is only one entrepreneur, the inefficient social operation cannot be weeded out by the forces of competition. Inefficiency is not distinguishable from efficiency if there is no competition to serve as a basis of comparison. Second, in social enterprise there is rarely an evaluation at the point of exchange. The person who pays his income tax has no practical way of evaluating what he receives in return for his money. He receives nothing at the point of exchange in return for his contribution.



Similarly there is no evaluation at the point of exchange at the time the products of a social enterprise are distributed. Since no direct payment is required in exchange for such products, people will naturally demand them so long as they are of any benefit. Thus the products of a social enterprise are accepted by people, even though the benefit they receive from the product may be much less than its cost to others.

No system of enterprise has given so many people so much for so little as has free enterprise. Increasing efficiency is inherent in it. The productivity of the most capable operators automatically becomes the goal toward which all may strive - a goal which allows everybody to win.

BOOK THIS DATE NOW: The Henry George School's Annual Christmas Party will be held on Saturday, 11th December from 6.0 p.m. onwards. An hour's stage show is planned and there will be dancing, competitions and a full "variety" bill.

NATURAL FOG OR SMOKE SCREEN?

(A REVIEW by Dr. F. J. Jones)

Arthur Coe's "Economics for Everyman" is an interesting work, since it is a typical example of the modern intellectual outlook which rejects logical thought in favour of a fragmentary pragmatism. No one can doubt Mr. Coe's thoroughness; he has studied Marxism, Keynesianism and even Georgeism assiduously, but he does not attempt to expound their dialectical methods, merely limiting himself to suggesting improbable results of their application. In this book we receive no explanations of the theories the author rejects, nor do we perceive his reasons for rejecting them. His principal aim is not to reason at all, but to lay down economic dogma.

His heart's desire is to create innumerable consultative committees, tier upon tier of joint councils and mazes of bureaucratic hierarchies, whose function is to organise, frustrate, shelve and refute, so that no production shall be undertaken except with the approval of the government. He takes it for granted that the government economists, like himself, are omniscient and know far better than the industrialist what is good, not only for him but also for the community at large. Thus, the panoply of socialistic systematisation is presented as the thinker's answer to the chaos of private enterprise, a system which he regrets has ruled hitherto the economic roost in this country. There can be no doubt that Mr Coe's system is perfectly feasible and his massive superstructure of government bodies highly desirable in a world which conforms to his basic assumptions. Unfortunately, or is it fortunately? it is with these assumptions that we must quarrel. But, even so, they seem on the surface to be conformable with experience and point to the visible evils of capitalism.

Monopoly is the inevitable consequence of free enterprise for Mr Coe. He says: "The lack of co-ordinating power in the direction of labour of a nation leads to the formation of monopolistic trusts, amalgamations, and price fixing, all of which are primarily concerned with effecting such a measure of co-ordination of production in the industries concerned as will give a greater sense of security to its members." (P.19) No one will deny that monopolies are out for their own ends since they would not otherwise become monopolistic concerns, but the truth herein contained is a 'particular truth' for certain artificial conditions, not a general truth ineluctably working itself out in all conditions. It only becomes a general truth if its premiss, namely, that 'the lack of co-ordinating power' is solely responsible for monopoly is correct. This is palpably incorrect in

Economics for Everyman by Arthur Coe, Chapman & Hall, 1948.

in free conditions and the author himself is aware of this fact since he agrees in another context that land monopoly is the mother of all monopolies and even goes so far as to praise the United Committee for its long struggle against this iniquity. (P.167) Yet, true to his fragmentary pragmatism, Mr Coe does not theorise beyond immediate realities and sees no connection between land monopoly and industrial monopolies. Through not realising that no monopoly is possible without this basic one (except through exclusive government privilege) he is forced into mustering his bureaucratic legions to watch over us all and prevent us being anti-social.

Mr Coe's confused thinking is the result of his confusion in verbal meanings. For instance, he divides capital up into three parts: (i) the workers. (ii) the land. (iii) machines. But he notes later that land is a special kind of capital since it is not produced by man and should thus belong to the people as a whole. But how? It should be bought for cash and the owners of it should be given stock representing government improvements on the land in compensation. Thus the danger of upsetting the money market by the pouring in of government monies would be obviated. Naturally, a vast organisation would be necessary to conduct this transaction but Joint Agricultural Committees are necessary to Mr Coe in any case to prevent farmers becoming anti-social so that the doling out of bonds would be one of their early functions.

But what of the economic rent of nationalised lands? The problem is to distribute it equitably among the people. (P.162) and the author suggests: "The best way to do this would be to operate the land as a public utility with as many branches as there are districts and with each branch administered by a Joint Agricultural Committee constituted of rentiers, farmers, employees and agricultural workers, this to be purely a voluntary organisation concerned with the maintenance and the most effective use of the means of production entrusted to it... Rents would be paid as before, but into a common fund from which the rentiers would be paid the sum due to them, leaving the statutory amount for maintenance, repair and renewals at the disposal of the council to be disbursed solely for this purpose." (162-3).

From this incredibly involved system, betraying the author's organising mania, the following illogicalities are apparent:-

1. Why allocate a fund to be disbursed for repair and drainage if the land users pay their economic rents? Surely they must keep the land in good condition in order to pay that rent and make a reasonable living for themselves?
2. Who are the rentiers? Have they not already been expropriated and given 'improvement stock'?
3. What right have they now to collect rent? What right have they

to exist at all in the new set-up?

4. Who is to fix the statutory amount for repairs? Will this not vary from district to district according to conditions?

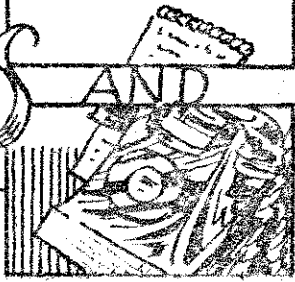
5. Will the statutory amount be increased as land values increase or is it to be fixed once and for all? If so, do not land values vary enormously from district to district and from valuation to valuation?

But let us ask no more questions. It is obvious that Mr Coe's gigantic organisation is a result of his fundamental inappreciation of the effect of the law of economic rent. This is partly due to a lack of understanding and partly to his loose use of words. Thus, everything is capital for Mr Coe but some things are less capital than others. He can therefore write in the index of his book: "Law of Economic Rent, so-called", and so disclaim a belief in its application while at the same time upholding it in practice. In his disclaimer one supposes that land is capital, in his approval as a special type of capital.

This book is consequently the archetype of modern economic thinking. It shows how economists are overwhelmed by facts which they fail to interpret and are afterwards compelled to think up patchwork panaceas for each separate economic ill as it appears. No one, it seems, would dream of venturing so far as to suggest a re-organisation of society from its very foundations. It is fitting, therefore, to compare the modern economic age as similar to the Ptolemaic age in astronomy. The truth that the earth moves round the sun had been postulated by other Greek thinkers but it was rejected in favour of Ptolemy's theory until Copernicus re-discovered it some 18 centuries later. Likewise, the fundamental truths in economics were discovered in the 19th century but they have since been so overlaid with detail by the modern encyclopaedic mind that they have vanished from view. But in this age of experts the professional economist is the fount of all truth.



NOTES AND NEWS



Three new branches have opened this term. They are in Woolwich, Beckenham and Southgate. Beckenham took the lead with more than 20 enrolments, while Southgate had 10 and Woolwich 9. It is hoped later on to arrange joint meetings between the three branches in the Woolwich area.

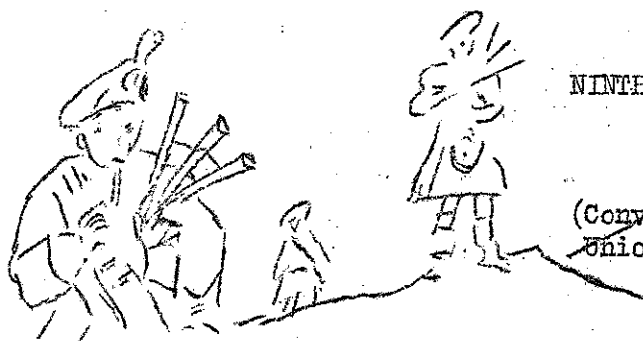
The Class being held at Thornton Heath is an extension of the Croydon branch. Seventeen students enrolled, and the majority of them were brought in as a result of a door-to-door leaflet distribution campaign undertaken by past students living in the Croydon area.

In addition to the Basic Course which started at Welling under the direction of Dr. John, a series of monthly lectures have been arranged for previous students. The first will be held on Wednesday 20th October when Mr. Charles Aitken will speak on "Monopoly - the Fruit of Tariff Policy". He will describe how monopolies have been engendered, fostered and perpetuated under the cover of Protectionist policy, and how Free Trade is the biggest threat to monopolies and privilege. All students are welcome to attend. They are being held in the Welling Branch Library.

The enrolments at Westminster for the Basic Courses totalled 25. They are being held Tuesdays and Thursdays. Here too a number of enrolments were secured by the help of past students, many enrolling as a result of a leaflet distribution campaign outside the Central Hall, Westminster, where a meeting on World Government was being held.

Classes are also being held this autumn in Birmingham, Portsmouth Manchester and Glasgow.

The Speakers' Panel are sending a speaker (Mr. V. G. Saldji) to address the London Leaseholders' Association on October 17 and Mr. Charles Aitken will visit Nottingham to address the Cosmopolitan Debating Society. For information of readers, the School is willing at any time to address other Associations, Clubs, etc.



NINTH INTERNATIONAL CONFERENCE

SCOTLAND, 1955

(Convened by the International
Union for Land Value Taxation
and Free Trade)

A GLORIOUS HOLIDAY awaits you at St. Andrews, Scotland, next year. You can spend a week or a fortnight in Scotland and those staying for the fortnight will be able to visit the Edinburgh International Festival, which starts immediately after the Conference at St. Andrews ends. This 9th International Conference of the Henry George Movement will give those attending an opportunity to meet people of like mind from all parts of the world.

Reservations are already being made and we do urgently advise you to make your reservation now, or else you may lose the opportunity of staying in the residential quarters at St. Andrews' University, which will be available to us at the reasonable rate of £6.6s. a week full board. If you stay at an hotel you will appreciate that your costs will be much higher.

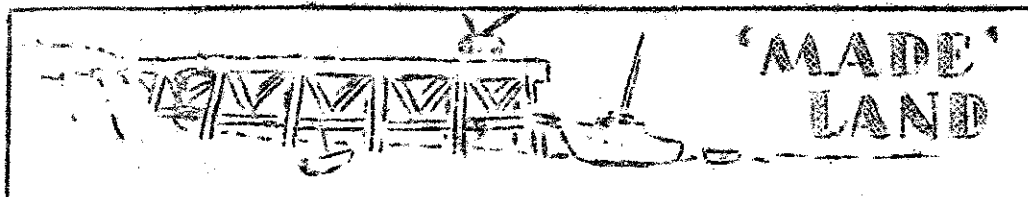
This is only a preliminary notice and you will be receiving formal notification, together with full details. Do please let us know before the end of October whether you intend coming. You will not be held to this in any way as difficulties may, of course, occur, but this provisional booking on your part will give us an opportunity of assessing the number likely to be present and give you the opportunity of reserving this special accommodation.

The Conference is being held from August 15th to 20th, and in addition to the planned sessions there will be excellent opportunities for recreation. Notable personalities from various parts of the world will be present, including Dr. Viggo Starcke (Danish M.P.), Judge Lucas (S. Africa), Dr. Ronald O'Regan (New Zealand) and Rupert Mason (U.S.A.).

HOW MUCH WAS RENT?

John Williamson was a Canadian geologist with a theory ... that Tanganyika hid a fortune in diamonds. The mining experts

of the world said that Williamson's theory was downright crazy. But in 1934 Williamson began a search. One day, by chance, his native boy spotted something glistening in the gravel. He brought the "pebble" to Williamson. It was a diamond. In that moment John Williamson became the owner of the richest diamond deposits in the world. In the last two years alone he has sold stones worth £6 million.



A correspondent in France sends us a query and asks for our comments. He has been in conversation with a big landowner and has attempted to explain to him the economics and philosophy of Henry George. The landowner objects to the principles and he maintains that his land, which has been re-claimed from the sea, is a work of "Transformation", and the investment of his capital, the expenditure of his labour, and the fact that he must ever be ready to fight against the sea, entitle him to claim complete ownership of his land. He contends that his transformation of the land may be likened to the transformation of raw materials (minerals etc.) into the finished product.

Reply:

In a sense, your friend is right, but this needs some qualification. The point is this: He is entitled to a return on the capital he has expended and if his income from that land (after deducting all necessary expenses including wages for labour) amounts to a sum no greater than the average return to interest, then his land has no value, i.e. market value. It is on the margin. On the other hand, if his return after allowing for all expenses and return for labour is greater than could be received if the same amount of his capital were invested elsewhere, then the difference is due to some natural advantage and must be classified as rent.

He has no moral claim to the private ownership of that land, and under no circumstances could that be conceded from our point of view. On the other hand, if no rent were charged (which would be the case if he were to get only a bare return on his capital) then to all intents and purposes he could regard the land as his, that is, he could have private possession.

Let us take a comparable example. A man decides to build a jetty on land which commands no rent, i.e., there is no competition for it. The jetty costs him £1,000 and it enables him to make charges to boat men to moor their boats and land their merchandise. His income will be regarded by himself as interest upon his capital (allowing for wages of course). Now imagine 50 years have passed. For a variety of reasons that jetty is now in the centre of a busy and thriving port. The population has increased and everywhere the demand for land has sent up its price. Because of the increased business the jetty owner's income will have greatly increased. Let someone come along and offer him £1,000 for his

jetty. What will be his reply? From our point of view he is entitled to the wages for his labour in operating the jetty, for the cost of maintaining it and for the interest upon his capital. But he is not entitled merely because he "reclaimed" the land, or "made" the land to reap the benefits of the increase in population. Even "made" land must stand on land!

EXPECTATIONS!

Although many of us expect a great deal of help one way and another from our Welfare State, it seems our realisation that the cornucopia is not bottomless is more acute than that of some Frenchmen. Andre Maurois quotes a French politician's experience: "Every citizen thinks he has a blank cheque on the State. One elector said to me the other day, 'I was going to marry a war widow, but she died suddenly the day before the wedding. What am I entitled to do?'" If there were a State marriage bureau he might perhaps have qualified for priority introduction to other suitable war widows. ('Manchester Guardian', 29th September, 1954).

**WHERE AGRICULTURE
DOES NOT PAY.**

Contractors are paying Essex farmers £1000 or more an acre for the right to dig gravel and sand on their own land. As more and more new towns open with their own factory sites, the builders urgently need sand and gravel. Contractors are digging it with mechanical shovels.

('Evening Standard', 24th September, 1954)

**DOES THIS GET
YOUR GOAT?**

The British Goat Society has published its list of goats accepted under the Stud Goat Scheme for 1954/55. The Scheme aims at improving, by selective breeding, the productive quality of milch goats kept by small-holders, cottagers and others of similar position. It is administered by the British Goat Society under the approval of, and with financial assistance from, the Ministry of Agriculture and Fisheries. The fee charged for each service must not exceed 7s.6d.

(Circular from Ministry of Agriculture & Fisheries)

YOU ARE INVITED to a talk on "The Modern Approach to Economics".
Speaker : Mr. W. Gregory, M.A. (National Organising Secretary of the W.E.A.). Time : 7.00 p.m. Place : Room 3, Church House, Great Smith St. His talk will cover the latest in economic theories - based mainly on the ideas of Prof. Keynes, and will include special reference to the National Income. FULL QUESTION AND DISCUSSION PERIOD ! Date Oct 13th

IF IT WERE A DOG - IT WOULD BITE HIM!

Referring to the tragic case of Mr. Pilgrim, the man who committed suicide when his land was taken from him at a figure far below the price he paid for it, Mr. MacMillan, Minister of Housing and Local Government, said at a meeting on October 6th:

"This is just an example of some of the problems that arise and are going to arise still more as we advance on the next stage. They are going to arise on all developments whenever there is need for compulsory purchase.

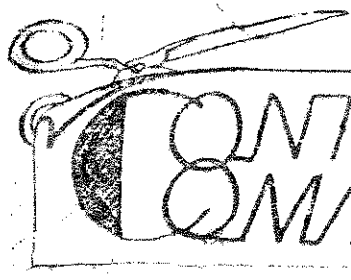
"There is strong argument that in all cases where land is taken compulsorily, we ought to pay the current market value. But if you go back to that extreme you raise again the question of who made the current market value, the individual or the community?"

Mr. MacMillan said that where local public need required land for a public purpose then it would be bought at the existing use value plus the amount of the claim registered under the 1947 scheme. Sometimes, he admitted, this would not be the full current value, but it would be a fair value with recognition that some account must be taken of the part public expenditure had played in creating that value.


- Daily Telegraph, October 7, 1954.

Here is an admission that community created values are capitalized in the price of land. But why wait for compulsory purchase of a particular piece of land before asserting the community's claim to this value? Furthermore existing land values are due to the presence, needs and activities of the community as a whole (the spending of its money on public improvements, schools, roads, lighting, sewerage, fire services, etc.etc.) A tax on all land values periodically revised and falling irrespective of the activities of the holder would have a three-fold effect which we would recommend the Minister of Housing to study:

1. It would enforce the maximum use of land and prevent it from lying idle for speculative purposes making compulsory purchase in many cases unnecessary.
2. It would enable rates and taxes which now fall on the activities of labour and enterprise to be reduced.
3. It would establish the first principle of social justice, i.e. that the rent of land is the rightful source of public revenue.



CONTEMPORARY COMMENTS



LIVING CONDITIONS IN SOUTH AFRICA The houses (Elsberg Location)

were built in two lines, as they would be on either side of a wide road. What could have been the road was a strip of land, dotted with mounds and potted with holes...

The houses were usually two-roomed. Here and there a person had added a smaller room to the back. But where that had been done there was not a bit of land left on which to grow a few green vegetables, for each house stood in a small piece of fenced-off land. And the land belonged to the farmers for whom the people of the location worked. And behind the fenced-off little plots, spreading in all directions, were vast stretches of rolling land.

The houses were made by those who lived in them. And because they had no security of tenure few took pride in what they put up. The walls were of unbaked mud bricks held together by straw. The roofs were sheets of corrugated-iron nailed or screwed together over rafters. And the holes and open spaces were stopped up with sacking and pieces of canvas. Neither cold nor wet was ever effectively kept out. ("Tell Freedom" by Peter Abrahams, Faber and Faber).

AUSSIES PAY RENT TO DUKE OF WESTMINSTER. The Duke of Westminster, who

died in July, 1953, left Australian estate valued at £276,466. Probate in Melbourne revealed that he owned two properties in that city, one in Collins Street and the other in Queen Street.

Early in 1953 the Duke's Australian Agents, the Anglo-Australian Corporation Proprietary, bought a three-storey building in one of the main streets of Perth, Western Australia, for £71,000.

The Duke's estate in Britain was valued for probate last October at £5,703,655 (£1,157,577 net) unsettled and a settled estate nominally valued at £5 million.

("Daily Telegraph", 20th August 1954)

DON'T BE LATE - STAKE YOUR CLAIM NOW! Messrs. Rex Sutton, George Pratt and

R. B. Ramsay, of Little Rock, Arkansas, have filed articles of incorporation for the Mars Development Company. Objects: "To subdivide and convey title of such area or areas on the said planet Mars to competent persons, for suitable remuneration."

("Daily Express", September 9th, 1954)

ROAST PORK IS RENT!

"Land was sometimes held by a tenure called Sergeanty involving the performance of special personal duties. Such were the carrying of the king's standard in the field or providing him with falcons for hunting or napkins while he dined. One manor was held by Sergeanty of holding the royal head during channel crossings; another tenant had to bring his sovereign a dinner of roast pork whenever he hunted in Wychwood forest."

(Arthur Bryant, "The Story of England")

ENDORSEMENT (1954).

The Land Tax can be made very productive of revenue and is readily calculable. It is also certain in its incidence and cannot be shifted. It does not enter into prices or directly affect the cost of living, it cannot be evaded and it is less likely than many taxes to have injurious reactions on the motives of saving and production. Its incidence is clear. If levied on the Unimproved Value of land it falls on the land owner and cannot be shifted. It falls on the capitalized economic rent and since land rent does not enter into prices of commodities neither does the tax imposed on it. If permanent it is amortised by the capitalization process and diminishes selling value by the capitalized value of the tax."

(Professor B. E. Murphy in "Defence of the Land Tax")

ECONOMICS IN WONDERLAND.

After lunch at New York's swanky Stork Club three business executives try to decide who should pay the bill.

A: "Let me pay the bill. In my income bracket the Treasury will pay 80 per cent."

B: "No, let me pay. I am on a surplus profit of 100 per cent and so the lunch will cost me nothing."

C: "You must let me pay. I have a Government contract on a cost plus basis and so will make a profit on the lunch."

("The Standard" -Sydney-, April 1954.)

JOSUE DE CASTRO AND HENRY GEORGE.

I admire the ideas of Henry George very much, and have made use of them freely in the development of my own philosophy...

If we are to discuss the Malthusian theory, taking a position against it, we certainly cannot overlook the excellent contribution of Henry George toward demolishing it.

In future editions of GEOGRAPHY OF HUNGER I have resolved to make some mention of this great master of the past century.

(Professor de Castro, Rio de Janeiro, July 1953)