

HENRY GEORGE SCHOOL

MAGAZINE

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HENRY GEORGE SCHOOL MAGAZINE

(Edited by a panel of Tutors)

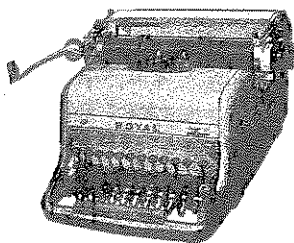
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Editorial



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The purpose of the School Magazine is to provide articles, news and comments dealing with political, social and economic matters as an extension of the study classes of the School; to expound the first principles of economic science and social justice and show their validity, relevance and significance when related to current economic problems; to sustain interest among ex-students and to inspire participation in the School's work.

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What has the Suez crisis to do with inflation? Very little, the ordinary man would suppose. He would be wrong. Inflation is the Government's unsafe safety valve which operates to take the strain when income falls short of expenditure. But the Government's finances obey the same laws as did those of Mr. Micawber, that is to say, when expenditure exceeds income, the result is misery.

So persistent is the belief that the people (sometimes the workers, sometimes the capitalists) cause inflation, that we make no apology for quoting those who should be in a position to know the true cause of inflation. The Financial Editor of the Manchester Guardian, 8th August, has this to say of Suez and inflation :

"The expedition that has set out for the Mediterranean will be an expensive affair. Its cost will not be measured only by the actual outlay for pay and allowances, fuel and food. Larger, perhaps, will be the cost of shattered plans for reducing Government expenditure and slowing down the monetary printing presses. If the hope for a cut of £400 millions has grown faint, the immediate danger is that total Government spending this year will rise instead of fall. That will mean even more borrowing; and the difficulty of borrowing without adding to inflation had been the Achille's heel of the Government's financial policy even before the Suez crisis. When Mr. Macmillan saw the bankers only a fortnight ago, he must have had this difficulty in mind. There would be more Treasury Bills (instruments of inflation) in circulation during the rest of the year, and the banks would have more funds out of which to make loans. In asking them

not to make these loans, but to "co-operate" in keeping credit tight, he was asking them, in effect, to buy gilt-edged securities."

He was asking them, in fact, to lend the Government the new money it had put into circulation - money created to repay the money it had previously borrowed from the banks and spent. The Financial Editor says that the Chancellor may have felt two weeks ago that "the financial tide was on the turn" and a little co-operation from the banks might have been sufficient to stop inflation. "But", he says, "if another large wave of Treasury Bills is likely to come from the presses to swell the volume of potential money, new steps may be needed to prevent the financial situation from getting out of control."

The writer then goes on to propose that the people be made to pay for the Suez crisis by a surtax on petrol or another 6d. in the pound on income tax. "Failure to do this," he says, "means borrow, borrow, borrow." To which we would add - inflation, inflation, inflation! Whatever one may consider to be the proper source of State revenue (and we have our own special views on this subject!), it is infinitely better boldly and courageously to tax the people's wages and incomes so that they can see what is going on than subtly and meanly to whittle away the value of earnings and savings by depreciating the currency.

SUBSIDIES AND THE LAW OF RENT. Clifford Selly, writing in the Observer, 19th August, has this to say about small farmers: "A certain mystique attaches to the 'small man' in this country, particularly the small farmer. Small-scale farming is, we are often told, more than a business, it is a way of life. Those involved in it, however, who mostly have their eye more to the business than the way of life, are aggrieved... It is this mounting discontent among small farmers which has prompted the present talks between the NFU and the Government on the possibility of providing more long-term security than is offered by the present system of annual price reviews... The basic problem is that probably 30 percent of our farms are not economic units. For one reason or another, some good, some bad, the farmers on them cannot make a living without Government help. In asking for longer term assurances of security, these farmers are asking the Government to underwrite what is often an unsound business proposition. It is from this simple fact that most of our farming problems arise... Taxpayers are already impatient with the cost of keeping the marginal farmer in business; for it is clear that the pitching of prices high enough to enable him to make a living puts the large farmer in the supertax class." (Our underlining).

Note the operation of Ricardo's Law of Rent here. When you lower the margin of productivity, even if it is done artificially, by subsidies, the effect is to raise rents on lands above the margin. Thus, subsidies for "farmers" are revealed as subsidies for the recipients of economic rent. As a result the selling price of land rises so that the would-be farmer pays not only for the land he has to use but also the capitalised value of the subsidies on land above the margin.

Your Answers Received

SEE "YOUR ANSWERS WANTED", AUGUST ISSUE

R.C.Crotty (Dunbell, Ireland).

The article "Your Answer Wanted" in the August School Magazine hardly merits an answer. The points made - with the exception of one, can cause no difficulty to anyone at all versed in the School's teaching. The exception is - and I confess it caused me some uneasiness - "that the State should guarantee a landowner against a fall in rents due to a migration of population or for similar reasons."

In the long term, no more than the economic rent of land can be taken in taxation: to attempt to take more would cause the abandonment of the over-taxed land. But in the short term the possessor of land, rather than abandon his improvements thereto, might hold on - must hold on - until the value of the improvements are realised without replacement. Is there any factor, other than the subjective opinion of valuers, that can infallibly adjust taxes back to rent in the short term as well as in the long term?

Editors' Note.

The possibility of injustice being done by charging the full rent for land that has depreciated in value since the previous valuation, would be taken care of by regular and frequent valuations. If these were made annually, sufficient protection would be afforded to the vast majority of land users including those referred to by the authors in their book.

It must be remembered as well, that land also increases in value and where this occurs there is a gain to the tenants between valuations. Experience shows that the odds are generally in favour of land values increasing rather than decreasing. The chances of land values falling, would, in any case be no greater than they are under the present system - indeed less! How do tenants manage today after they have contracted to pay a rent for anything up to 99 years without guarantee of compensation in case of a fall in land value?

The fact of the matter is, that it is usually the landlord who insists upon a rent revision after short periods have elapsed! To attempt to be more precise in valuation than would be provided for by annual revisions would be to reduce valuation to an absurdity. No farmer for instance, under any system expects his land to be re-valued after a drought or a heavy rainfall, for these are the normal hazards of the business he has chosen, and the greater the hazard on a particular piece of land, the lower the rent would be to start with, as such contingencies are always reflected in the valuation.

C.J.Barker, (Walthamshow).

The authors of "A Textbook of Economics" are to be congratulated on putting the case for the taxation of land values so well in the first part of the extract you have printed. Their objections to it

are, however, not a matter for congratulation - I've read abler (if no more valid) arguments than this.

What do the authors mean by "there seems to be no serious injustice in deciding that any future appreciation in the value of property caused by social changes should benefit the whole population rather than the owner"?

Do they mean it is, though not a serious one, an injustice to take land values for the community? And what is meant by "property" in this sentence? And they confuse the issue by speaking of "future appreciation" when Henry George's principle was the taking of existing land values. Muddled thinking always follows prejudice.

L.G. Bancroft (Essex).

"When a landowner allows his land to be used for one purpose, he does so by the sacrifice of some other alternative use. Whenever the economic system approaches equilibrium, unearned income disappears and incomes, like prices, become the result of a balancing of advantages gained, and advantages relinquished". So say these economists. But unearned income can disappear in the sense expressed above only if there is equal opportunity among those engaged in production. Unearned incomes can never disappear while there is private ownership of natural resource and millions of producers with no claim on its rent.

Beryl Chapman (Egham, Surrey).

The extract from "A Textbook of Economics" invites much comment but what intrigued me most was this:- 'It seems fairer that the landlord should indemnify him (the tenant) at the expiration of the lease and recoup himself by an increased rent than that the State should obtain the increase.' This sounds like the old fashioned confidence trick of the brown and white loaf, but compensation for improvements has nothing whatever to do with a rise in rent resulting from an increase in land values.

***** (Letters abridged)

RATIONAL AND PERTINENT.

"A highwayman points a pistol at my head, but offers to spare me if I shall give him 500 dollars, which I proceed to do with the greatest alacrity. In sparing my life he renders me the highest possible service... Still the question will arise, how came the highwayman to be in a position to do me such a vital service, and after all, what right has he to what was my 500 dollars?"

"In like manner, while the owner of land who at a certain rent leases to me a few acres on which I may work to raise food for myself and family, undoubtedly does me a great service as compared with not giving me leave to cultivate it upon any terms whatever, it will still be rational and pertinent for me to inquire, at least under my breath, what business he has with the land more than I or any one else."

Professor Francis A. Walker : First Lessons in Political Economy.

Crimes by the State

Patrick Edward Dove (a Scotsman), although a landlord himself, did not believe in landlords. He maintained that the soil of a country was the inheritance of all its people. He preceded Henry George by a generation and, like him, was never weary of repeating that the rent of land should go to the State for the benefit of all. Patrick Edward Dove was also an ardent advocate of Free Trade - in fact in all respects he was a "Georgeist" well before Henry George himself! The following clear and forceful passages are from "The Theory of Human Progression."

No action can be less criminal than the purchase of the productions of one country, and the transport of those productions to another country, for the legitimate profit of the trader and the convenience of the inhabitants. The government, however, passes a law that such transport shall not be allowed, and that the man who still persists in it shall be called a criminal, and treated as such. The government thus creates a new crime, and establishes an artificial standard of morality, one of the most pernicious things for a community that can possibly exist, as it leads men to conclude that acts are wrong only because they are forbidden, and also enlists in favor of the offender those feelings which ought ever to be retained in favour of the law.

The restriction would be a crime if it were only a restriction, and prevented the international exchange of produce. But what are its effects? It calls into existence a set of men who devote themselves by profession to infringe the law. The act of transport is perfectly innocent and highly beneficial; but so soon as it is prohibited by law, the man who engages in it is obliged to use the arts of deception and concealment, and from one step of small depravity to another, sinks lower and lower, until at last he employs violence, and does not hesitate to murder. The act of transport in which the smuggler is engaged is one of the most legitimate modes of exercising the human powers. Every kind of advantage attends it. First, it is profitable to the foreign seller. Second, it is profitable to the merchant. Third, it is profitable to the carrier. Fourth, it is profitable to the home consumer; for if the goods were not more highly esteemed by him than the money, he would not purchase them at the price. And fifth, it is injurious to no one. The first three profits are money profits; the fourth, a profit of convenience and gratification. But the moral effects are no less beneficial. First, the man who is engaged in lawful trading is well employed, and likely to be a peaceful and good citizen. Second, the fact of purchasing from a foreigner gives the trader an interest in that foreigner, and eminently tends to break down those national antipathies which have descended from the

darker ages. The buyer and the seller are a step further from war every bargain they conclude in honest dealing.

First, then, the prohibitory law sacrifices all those benefits, and the law of restriction diminishes them to the full extent of its restriction. But what takes place? The contraband trader is created by the prospect of gain arising from the increase of price. The increase of price, instead of being a benefit to the legal trader, is his curse. It is neither more nor less than a premium held out to the smuggler to evade the custom and to undersell the legal trader, thereby tending constantly to reduce his profit, as well as to diminish his sale. But this is not all. It is a premium to the reckless to break the law; and the man who lives in the habitual breach of the law soon becomes a ruined character and a ruined man.

There are, perhaps, few courses of life that end so certainly in ruin as the smuggler's and the poacher's; and yet, barring the law, the acts in which they are engaged are perfectly innocent and perfectly legitimate. The man who takes to smuggling or to poaching as the means of gaining his bread, is almost as certainly beyond recovery as the drunkard or the thief. It has been our lot to see some of these characters, and to observe the influence of their pursuits, and we can say no otherwise than that we have been shocked to see men of energy and great natural endowment destroyed by the temptations which the law had so superfluously placed in their way. When once the habit of breaking the law is established, the distinction is overlooked that would not otherwise have been forgotten, namely, that there is a right and a wrong independently of the law; and the man who commenced by shooting a hare in his cabbage-plot finishes by shooting a keeper, and expiating the offence on the gallows.



The Creator, in his bounty, has distributed rivers over our country; and the rivers of Scotland, at a certain season, teem (or did teem until the sea nets were established) with abundance of food in the shape of salmon, which are thus brought, as it were, to the very door of the inhabitants. The uncultivated moors of the same district abound with wild birds, to an extent perhaps unequalled in the world. It might be supposed reasonable that these gifts of Providence should be of some service to the stated inhabitants who labor; and as corn land is not so plentiful in the north as in the south, Providence appears to have

thrown the salmon and the grouse into the scale to furnish the necessary food for man. But what has the law done? To shoot a grouse is not merely a trespass on the occupier of the land, but a crime, a criminal act, a thing that must be punished, a deed for which the half-starved Highlander can be haled to prison, and shut up as an offender against the laws of his country, when that country had reduced him to the verge of starvation. And to spear a salmon, a fish from the sea that no man may ever have seen, and cannot possibly recognise, is also attended with pains and penalties for killing the fish that Heaven had sent for food.

Let us consider that Providence has made some animals susceptible of domestication. A man takes the trouble of rearing a lamb or a bull-ock; and by every principle of equity they are his - at least he has the



claim of preference, which no other man has the right to invade. Were any man to take this sheep or ox for his own use, we see at once the impropriety of the action. First it is an interference with another man without a justifying reason; and second, were such interference allowed generally, the domestication of animals would cease, and food would become so much the less abundant.

"...THE IMPROPRIETY OF THE ACTION"

apparently for the very purpose of affording food, and this is in the very districts that are not so highly favoured with the cereal productions or the soil. Such, in Scotland, are the salmon and the grouse; and these, at one period, were so abundant as to afford a staple article of food, and even now are sufficiently numerous to feed a large portion of the population from August to December. And what has the law done with regard to these bountiful gifts of Providence? The law has made it a crime for the poor man to touch them. The poor man now can never legally have either a salmon or a grouse; and in the very parishes where those animals are sufficiently numerous to feed the whole resident pauper population, the poor may take their choice between starvation and expatriation.

In this case there is a breach of equity involved, and the taking is a crime. But, on the other hand, Providence has made other animals incapable of domestication, and distributed them over the country,

Now, in the case of the animals that are not capable of domestication, there is an important distinction to be observed. To shoot one of these animals is not a breach of equity - that is, the wild one is no man's property, while the domesticated one must practically be regarded

as property - for property must be recognisable - the law has made it a crime for the poor man to take them for his use. And the privileged classes, not content with all the land, and nearly all the offices of the state, have usurped the fowls of the air, and the fish of the sea, that never owned a master save the Lord of heaven and earth.

It may be considered that the question is of no great importance; neither perhaps is it, compared with the weightier question of the land; but we have taken it as an illustration of the principle of legislation as regards action. As regards action England is not a free country, and the sooner the nation is convinced of the fact, the better for the community. Any by free country, we mean a country in which every man has a legal right to do everything that is not naturally a crime. Where a man can do what is a crime, freedom is no more. But the law may be the criminal as well as the nation; and injustice from the law is quite as unjust, and ten times more detrimental, than injustice from the individual.

* * * * *

Civilisation

A native of a remote African tribe, having settled here in Britain, thought he'd try to describe the Planned Economy in a letter home. This extract is freely translated:

"There's a lot of things you never heard of, like, for instance, private land ownership, "ability to pay" rating, marketing boards, protection from competition, guaranteed high prices, income taxes, purchase taxes and import and export duties.

"The effects of the foregoing are ironed out by inflated currency, National Assistance, prisons, subsidies, Cinerama, old-age pensions, Diana Dors, export drives, whist drives, free speech, a compulsory health service and the right to strike. There is also a monopolies commission.

"Of course, some people call it the Workhouse State, but what's in a name? As I say, we've got three political parties to choose from every five years and they're all pledged to shuffle things around a bit and to see that nobody does anything drastic - like changing the system".

In time, he received a telegram from his worried parents:

"Your letter not understood, son. Are you bragging or complaining?"

L.J.H.

SEPTEMBER TERM CLASSES.

WESTMINSTER - 4 Great Smith Street.

Basic Course

Beginning September 25th & 27th

TUESDAYS: 7-9 p.m.

Tutor: R.M. Barraclough

" R.A. Ward

THURSDAYS: 7-9 p.m.

Tutor: G.L. Birch

.....
The Science of Political Economy

Beginning September 27th

THURSDAYS: 7-9 p.m.

Tutor: V.G. Saldji

.....
ENFIELD - George Spicer School,

Southbury Road.

.....
WEDNESDAYS: 8-10 p.m.

Tutor: W.J. Cadman

Basic Course

Beginning September 26th

.....
ERITH - St. John's Hall,

West Street.

TUESDAYS: 8-10 p.m.

Tutor: M.J. Monk

Basic Course

Beginning September 25th

.....
GOLDERS GREEN - Garden Suburb School,

Childs Way

TUESDAYS: 8-10 p.m.

Tutor: N.K. Gardner

Basic Course

Beginning September 25th

.....
ILFORD - Seven Kings Library,

High Road.

WEDNESDAYS: 8-10 p.m.

Tutor: O.P. French

Basic Course

Beginning September 19th

.....
ILFORD - Ilford Club, Balfour Road

(Near Ilford Station)

WEDNESDAYS: 8-10 p.m.

Tutor: A.L. Roberts

Current Economic Theories

Beginning September 26th

.....
PALMERS GREEN - Samaritan Hall, 36 The

Grove, The Triangle, N.13.

WEDNESDAYS: 8-10 p.m.

Tutor: R.R. Blundell

Basic Course

Beginning September 26th

.....
WELLING - Welling Branch Library,

Bellegrove Road.

WEDNESDAYS: 8-10 p.m.

Tutor: C. Short

Basic Course

Beginning September 26th

.....
Classes also being held in:

Liverpool, Portsmouth, Dundee and Glasgow.

WHY LAND-VALUE

TAXATION ?

Here is L.V.T. for the layman. This article was written by Mr.V.H.Blundell, at the request of the Editor of the "Walton Review", for publication in that journal.

From the outset the very word taxation is likely to arouse prejudice. Who has a good word to say for taxation anyway? The best that has ever been said is that it is a necessary evil. At one time the problem of taxation was a fairly simple one. It was largely, if not entirely, a matter of raising revenue to pay for essential government activities. Taxation today, however, is not a mere matter of finance - it is a political instrument. It is the means whereby governments implement their economic policy and effect a redistribution of wealth which is done in the name of fair shares, equality or whatever other name suits the political climate of the time. The Welfare State which makes up a large part of the debit side of the taxation ledger is principally a large-scale process of taking money from one pocket and putting it back into the other - less costs of administration. In the process, opportunity is taken to do some levelling according to the ability to pay principle.

Well, that is the picture and if we don't like it we have at least been conditioned to accept it. Now what is the taxation of land values? Is it another turn of the taxation screw? Another burden to be heaped on the backs of the long-suffering taxpayer? Perhaps it is a tax aimed at a particular class or section of the community. If so, why pick on the landowners? What's special about a land-value tax anyway?

Let it be stated at once that a tax on the value of land is a unique tax and "unique" says the dictionary is "without a like or an equal in kind or quality". That aptly describes the land value tax. Get one thing straight from the start. Land, which in the economic sense means all natural resources, is essentially different from the things man creates by his labour. It is upon this vital point that the case for land value taxation rests.

Land values spring from the land's natural fertility and geological content or its particular geographical situation. The latter aspect of land value is perhaps the most important. The site of the recently demolished St.Peter's Church, Great Windmill Street, London, was recently sold for £150,000. This works out at the rate of more than one million pounds per

acre. Housing sites in Bethnal Green have cost up to £36,000 per acre and land in Oxford Street has been estimated at more than £1½ million per acre.

If we put a tax on the value of land, we are not taking anything away from the owner that he himself has been responsible for creating. Here is the first unique feature of the land value tax. It is in no way a penal tax. It does not act as a disincentive as does taxation which falls on production or earnings. In fact it is not a tax at all! Rather it is a payment by the user of land for the natural opportunities of climate, fertility or position that he enjoys.



Taxation which falls on production, on sales and on incomes, acts as though it were a fine. At every move the producer or wage earner makes to increase his income, the State stands by to take its cut. Indeed, present-day taxation is more than a fine on production, it is a threat which deters and retards the enterprise and initiative of those who would add to the nations prosperity. The result is frustration, apathy and evasion. One has only to look around at the number of income tax specialists who thrive on within-the-law tax dodging schemes, and at the customs officials who are kept busy night and day, to see the demoralising effect of our existing taxation system.

Contrast this with the tax on land values. Land cannot be hidden, altered or taken away; it is there for all to see. What is the attitude of a man confronted with a land value tax? For him the tax must be paid no matter what use he makes of the land. If he is lazy he must pay his tax just the same, for it is his own responsibility if he does not avail himself of the full advantages of the site he chooses to occupy. If he is industrious and thrives he is taxed no more because of this. All his earnings over and above his land value tax are his and he has a direct incentive to produce all he can. As a member of the community he would share in the advantages of increased land values which steadily advance with the progress of the community and with increased population.

It is fair then and it is economically desirable. The next question that naturally arises is "Is it practicable?" One need

hardly argue the point. Today in Denmark, Australia, New Zealand, to name only a few countries, the principle is in practical operation and the beneficial economic effects are there for all to observe. True the principle of land value taxation is not fully applied. That is to say the users of land do not pay over the whole of the land value they enjoy in the form of a tax; but none-the-less a start has been made, for in the countries mentioned the system of levying local rates upon the site value of land instead of upon property as a whole is now well established.

Though the case is but briefly stated here the ordinary taxpayer will see the logic and justice of the broad principles. He should not be deterred by prejudice or "newness" of the idea to investigate more fully the abundant evidence that is available. He will see around him the amazing way in which land values have increased over the years without a penny-piece going into the pockets of the community who, by their very activities, presence and needs, have been directly responsible for these increases in land value. He will see in the instrument of land value taxation not only a means of remedying this particular injustice but the possibility of sweeping away many of our crippling, crime-creating and stupid taxation laws.

* * * * *

The following is from a review in the Manchester Guardian of "A Revision of Demand Theory" by J.R. Hicks. We offer no comment, but point to it as an example of modern economic theory. Prof. Hicks, by the way, is an avowed opponent of Henry George's ideas!

In this book Professor Hicks reworks the whole subject from its foundations, using the logical theory of ordering rather than the calculus, with the aim of minimising the necessary assumptions, simplifying the argument and elucidating the econometric applications.

The result is elegant in the extreme, probably the last word there is to be said on this aspect of demand theory.

Professor Hicks starts from the "preference hypothesis"; that people choose according to a scale of preferences, their choices being consistent (if I choose A when I could have B, I do not choose B when I could have A) and transitive (if I choose A when I could have B and B when I could have C, I do not choose C when I could have A). From this initial hypothesis, fortified by the reasonable assumption that more money is preferred to less, he is able, by simple addition and subtraction, not only to deduce all the propositions of demand theory formerly accessible only to those in command of the calculus, but also to clarify their meanings and limitations.

In addition, Professor Hicks devotes considerable space to the Marshallian notion he has made peculiarly his own, that of "consumers' surplus", though its application to welfare economics is deferred to another volume.

Bedtime Stories

THERE IS SUCH A THING AS
"EATING YOUR HEAD OFF"

Once upon a time, there was a cow who Thought. (Not very well but she Thought.) And she thought her farmer was making too much profit on her milk. He provided a comfortable barn and stall, and hay and grain, but she wanted more.

So one day she held back her milk. Painful, but she was determined to have Her Rights. The farmer, in desperation, tried throwing in some more hay and grain, and she gave her milk again. No more milk, to pay for the added feed - just the same amount where the money came from to pay for the added feed was the farmer's worry.

She liked this taste of power, so pretty soon went on strike again. And the farmer, in desperation, increased her feed. Still no increase in the milk.

The farmer needed some roof repairs on the barn and new milk pails, but practically every cent he got for milk was now going into feed.

Power was now so pleasant to the cow that she went on strike at regular intervals. If she could have thought of some Fringe Benefits in addition to the greater pay, she would have demanded them, too.

Finally, the milk wouldn't pay the feed bill. So the cow became hamburger and the farmer, discouraged by cows who Think but don't think straight, went into another business.

(from a Manufacturer's Advertisement
in a U. S. Magazine)

This is a good story and a version showing the farmer as representing the Government instead of the Manufacturers would make a good story too. We can picture the farmer, faced with dis-satisfaction from one of his animals craftily taking a little hay from each of the other animals - by the back door while they are asleep - and transferring it to the most troublesome animal. Of course if another animal gets wind of this and she too makes a fuss then she gets the same treatment. During this process the animal who made the original fuss gets a little taken from her too, but her eyes are so closely fixed on what is coming in the front door she does not notice what is going out by the back door! This is what is known as the Welfare State.

CONTEMPORARY COMMENTS

CLEAR THINKING. The citizen of democracy also needs certain intellectual qualities. It is not enough to love truth; he must learn how to find it. It is easy to teach students to reason correctly in the physical sciences; it is much more difficult to teach them to reason correctly in the social sciences where their own prejudices and passions are involved. They must be taught habits of clear thinking in order that they may acquire the power of recognising their own prejudices and of discussing political and economic questions with the same calm, the same desire to understand the other person's position, the same precision and absence of overstatement, as they would bring to the discussion of a problem in mathematics.

- Sir E.D. Simon, "Training for Citizenship", Oxford Univ. Press

NEW £5 NOTES. In view of the reasons for issuing new and better £5 notes, may I suggest that they be inscribed with the head of John Maynard Keynes, the patron saint of inflation, rather than Britannia. - G.H. Twigg (letter in Financial Times)

COSTLY CARAVANNING. The shortage of sites is still proving to be 'a goldmine' for the unscrupulous, according to "Modern Caravan", which recently made a survey of caravan sites. The Ministry of Town and Country Planning, when asked to help to provide the land for caravans, pointed out that "in the first instance" the local planning authority decided what land should be made available. But in many parts of the country the local authority seems to be doing little or nothing to control the situation.

This shortage of land affects holiday-makers indirectly - but not less effectively. Caravan distributors have to guarantee a site to sell many of their caravans and some site-owners are demanding up to half their trading profit as an entry fee, and this of course is added to the price of the caravan.

A spokesman for one of the largest distributors in the country, which has a sale of about five thousand caravans a year, condemned this "blackmail", but said it had no choice but to accept it if its customers insisted on a site. - Manchester Guardian, 11 August 1956

SOIL BANK - A WINNING BET. The American farmer, as canny a speculator as ever cashed a three-horse parlay, hemmed and hawed about the new soil-bank programme served up by Congress in late May, consulted his form charts and then made his decision; a heavy bet on the soil bank to win. Last week, the deadline for the 1956 sign-up past, the Agriculture Department reported

that nearly 500,000 farmers had agreed to take 10,720,749 acres out of production, thereby reaping a cash harvest of \$1.50 a bushel under acreage control or \$1.25 for over-allotment corn. Then came the drought. Fiery winds seared crops in Iowa, Nebraska and Kansas. Farmers looked at their parched and wilted fields, hid themselves off to the soil bank, signed on the dotted line and went back home to plough their stunted crops into the earth.

- TIME, 13th August 1956.

GOLDEN FUTURE. Charles Duff, son of Sir Michael and Lady Duff, will one day inherit an estate that includes the whole of Snowden, 50 miles of private railway, a private harbour and 70 farms. However, he cannot inherit the baronetcy. Charles was adopted in 1950, shortly after the Duffs' own child died at birth.

- Daily Mail, 7th August 1956.

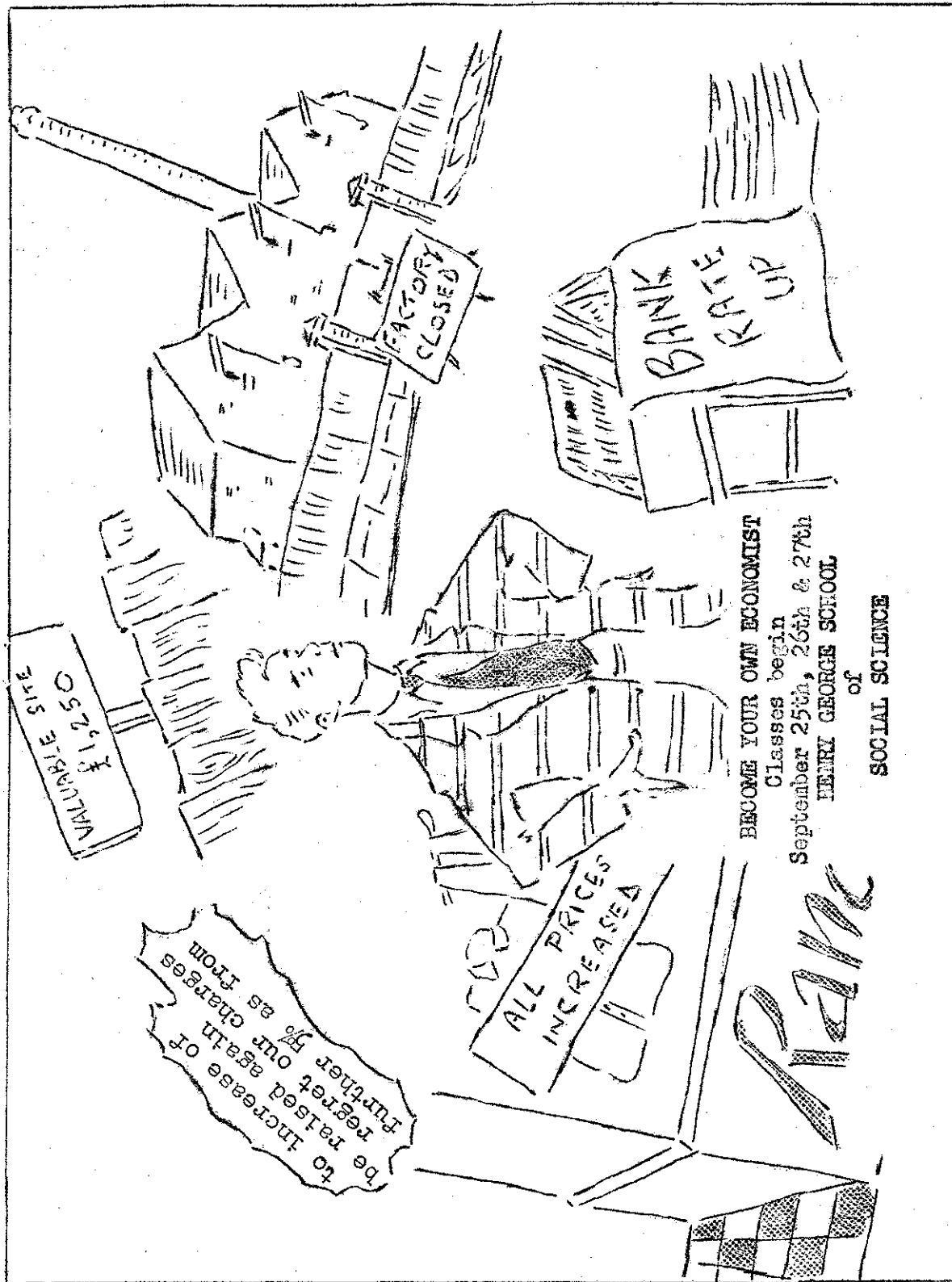
L.V.T. ON ILFRACOMBE BEACH! Holidaymakers who take their own beach chairs on to the sands at Ilfracombe will have to pay to sit on them, the council there decided last night. It was reported that the contractor who had obtained the right to let chairs found that the public were bringing their own. And this, he said, was unfair trading. - Evening News, 1st August 1956.

Now here we really have a case of "unfair trading", if that's what it can be called! Clearly, the contractor is paying land rent to the local authority for his use of the sites on the beach; or it could be legitimately said that he is acting as agent for the local authority by collecting the land rent for them. What the contractor gets is interest on his capital (the chairs) and wages for his labour. The payment for sites is clearly going into the pockets of the people of Ilfracombe.

DEARER CLOTHES FOR AMERICANS? President Eisenhower has before him a letter urging him to impose immediately a 45 percent duty on woollen and worsted imports to stop unemployment in the home textile industry. The letter was sent by Mr. Chupka, general secretary-treasurer of the American Federation of Labour-Congress of Industrial Organisations Textile Workers' Union.

He estimated that 37 woollen mills employing 8,000 people closed because of foreign competition during 1955, and more mills employing 6,900 have closed for the same reason during the first seven months of this year. - Manchester Guardian

"THEY WERE EVEN AS WE ARE" The people of Manus Island, virtually a stone age society when Miss Mead first visited them in 1928 had by 1953 become a modern people - in fact they had in 25 years acquired a culture which it had taken the rest of the civilised world two thousand years to generate. - from a Review of Margaret Mead's new book "New Lives for Old" (Evg. Std. 18 Sept.)
..... and Henry George in "Progress & Poverty" wrote: "The differences between the people of communities in different places and at different times, are not differences that inhere in the individuals, but differences that inhere in the society."



BECOME YOUR OWN ECONOMIST

Classes begin

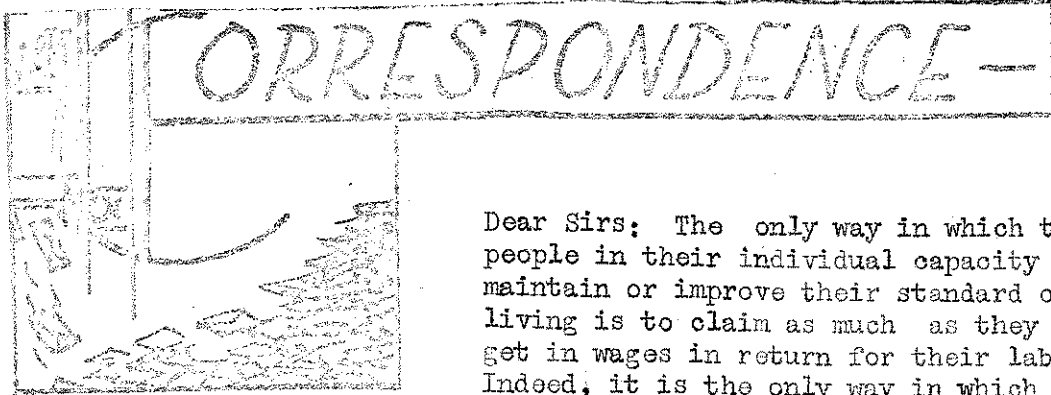
September 25th, 26th & 27th

HENRY GEORGE SCHOOL

of

SOCIAL SCIENCE

RAN



CORRESPONDENCE—

Dear Sirs: The only way in which the people in their individual capacity can maintain or improve their standard of living is to claim as much as they can get in wages in return for their labour. Indeed, it is the only way in which many can hope to make ends meet when prices are rising.

If this is admitted, then they cannot be blamed for making demands for wages increases. What cannot be denied is that rising prices precede demands for wages increases or that ~~one of~~ the most important factors contributing to price inflation is the expansion of government credit backed by increases in the fiduciary issues of unredeemable paper money. H.M. Government should limit fiduciary issues of paper money, curtail government investment and expenditure, and establish our currency on a standard of permanent value so that when exchange of goods and services takes place, the purchaser and seller can be assured that the money they use represents the real value of the goods exchanged.

S. MARTIN (Sidcup)

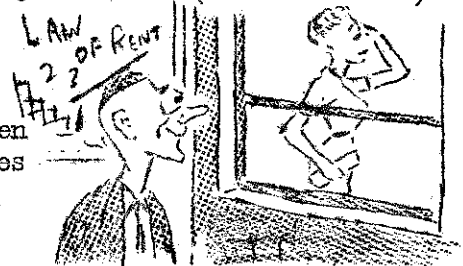
Dear Sir,

What would happen to the value of land in Yorkshire if it were declared a tax-free area? This was the thought that occurred to me when I read of a report that appeared in the Melbourne Herald on August 28th. It said that a tax exemption zone in Northern Australia to encourage settlement and development was expected to be incorporated in the federal budget. The area concerned is more than a million square miles and has a European population of only 43,000. Now as the law of rent is universal whether it be in Northern England or Northern Australia, I do not think there is much doubt what will happen to the price of land in the Northern Territory. Most of the land, of course, will be unaffected being sub-marginal, but it will be interesting to observe the values of land on each side of the boundary line if this proposal is put into effect.

M. PINCOMBE (Golders Green)

OUR ARTIST COULDN'T RESIST IT!

"In passing Mrs. Robinson grapples again with the concept of capital intensity. She also experiments with working with open polygons, instead of with the smooth curves which economists usually prefer" (from a review of "The Accumulation of Capital" Manchester Guardian.



Whose Waistcoat ?

In our April issue we published an account of Aylmer Maude's discussions with Tolstoy ("Life of Tolstoy" by Aylmer Maude, Constable, 1911) regarding land value taxation, showing that, although Tolstoy was against property, government and coercion in any form, he yet supported Henry George's ideas to the extent of agreeing that while men had governments and laws, then at least they should have the best possible. However, Tolstoy's sweeping denunciation of property, government and coercion were taken literally by many people, some of whom formed themselves into Tolstoy Colonies. Aylmer Maude (P.312) gives an incident from the Scharéevsky Colony in the Province of Smotensk, which is an object lesson in the confusion that can arise as the result of the failure to define property rights :

"The Colonists adopted a neglected youngster, and took him to live with them. He listened to their discussions, readings and conversations, and learned that no physical force should be used to any one; that it is wrong to possess property and that no Colonist should have anything to do with the police or the Law Courts. One morning the Colonist who had special charge of the lad awoke and began to dress, but could not find his waistcoat, until at last he discovered that the boy was wearing it. The Colonist asked for his waistcoat, but the boy refused to give it up. The man explained that it was wrong to steal, but the boy could not see the point of the argument. If property is wrong, why was it any more wrong for a boy to have it than for a man?

"The other Colonists were gradually drawn into the dispute, and as it developed it became more and more apparent that the whole battery of Tolstoy's arguments concerning property and judging, as well as his insistence on condoning all offences, claiming no rights, and acknowledging only duties, were on the boy's side in the controversy. He was accusing no one; and was therefore able to assume a tone of moral superiority. He wanted the waistcoat as much as the man did. He was quite willing to discuss the subject; but it was impossible to alter his opinion that he was going to keep the waistcoat, and that it was very wrong of anyone to want to take it from him. That particular waistcoat might not have mattered; but the question at stake was, whether any one might rely on retaining anything: a pen, a tool, or even a book he had begun to write? It was a question of principle, going to the root of the possibility of working efficiently, or of co-operating. The incident showed up the fact that the Colonists did not know of what they really approved or disapproved."

SANCTUARY FOR SELFISHNESS

William Hazlitt, a great essay writer of his day and author of the book entitled "A Reply to the Essay on Population", was aroused by the second edition, 1803, of Rev. Malthus's book entitled "Essay on Population", the author of which was lobbying members in the House of Commons for the passing of a Poor Law Bill of 1807 to contain most all of the harsh proposals contained in his book. In William Hazlitt's book, which was a passionate reply to Malthus, Hazlitt says: (Page 181)

"Mr. Malthus's reputation may, I fear, prove fatal to the poor of this country. His name hangs suspended over their heads, like some baleful meteor. It is the shield behind which the archers may take their stand, and gall them at their leisure. He has set them up as a defenceless mark, on which friends and foe may execute their malice or their wantonness as they think proper. He has fairly hunted them down, he has driven them into his toils, he has thrown his net over them, and they remain as a prey to the first invader, either to be sacrificed without mercy at the shrine of cold unfeeling avarice, or to linger out a miserable existence under the hands of ingenious and scientific tormentors.

I confess I do feel some degree of disgust and indignation rising within me, when I see a man of Mr. Malthus's character and calling standing forward as the accuser of those 'who have none to help them', as the high priest of 'pride and covetousness', forming selfishness into a regular code, with its codicils, institutes, and glosses annexed, trying to muffle up the hand of charity in the fetters of the law, to suppress 'the compunctious visitings of nature', to make men ashamed of compassion and good nature as a folly and weakness, 'laying the flattering unction' of religion to the conscience of the riotous and luxurious liver, and 'grinding the faces of the poor' with texts of scripture....

While the prejudice infused into the public mind by this gentleman's writings subsists in its full force, I am almost convinced that any serious attempts at bettering the condition of the poor will be ineffectual The effect of the new Poor Law Bill, 1807, appears to me to be putting the poor into the wardship of the rich, to be doing away with the little remains of independence we have left, and making them once more what they were formerly, the vassals of a wealthy aristocracy."

William sums up his opinion of Rev. Malthus's book as "a nullity in the science of political philosophy".

NOTES AND NEWS OF NEW CLASSES

To complete the picture of Autumn term classes listed on another page we give the following:

GLASGOW - Christian Institute,
Bothwell Street.

Basic Course

Beginning September 28th

FRIDAYS: 7.30 - 9.30 p.m.

Tutor: R. J. Rennie

DUNDEE - Green's Playhouse,
Nethergate.

Basic Course

Beginning October 5th

International Trade

Beginning October 5th

FRIDAYS: 7.15 - 9.15 p.m.

Tutor: J.H.MacMurchie.

Tutor: J. L. Geddes

LIVERPOOL - Free Church Centre,
31 Tarleton Street.

Basic Course

Beginning September 26th

WEDNESDAYS: 7 - 9 p.m.

Tutor: Dr. R. Johnes.

PORTSMOUTH - Foresters Hall,
226 Fratton Road.

Basic Course

Beginning September 25th

TUESDAYS: 7.30 - 9.30 pm

Tutor: A. H. Stoakes

TOOTING (London) - Bee School,
Beecheroff Rd, S.W.17.

Basic Course

Beginning October 5th

FRIDAYS: 8 - 10 p.m.

Tutor: Dr.David Russell

We welcome five new tutors this term and wish them every success with their classes. They are: Mr. J.H.MacMurchie, Dr.D.Russell, Mr R.M. Barraclough, Mr.C.Short and Mr. M.J.Monk. We are also pleased to welcome back to London from Birmingham, Mr. R.A.Ward who will be taking a class at Westminster. Dundee is to be congratulated on their enterprise in running two classes this term having opened with their first Basic Course only this year.

We would draw attention to our classes in the new areas of Erith, Golders Green and Tooting. Erith is an expansion of the activities of Welling Branch and Mr. R.H.H.Jones is organiser. Golders Green will link up with the other classes in North London and Tooting is an extension into the South-west London area.