

HENRY GEORGE NEWS

VOL. 15—No. 6

APRIL, 1932

10c A COPY—\$1.00 A YEAR

Man and His Land By V. G. PETERSON

FORTY-SIX per cent of the world's people, inhabiting fifty per cent of the earth's surface, live in underdeveloped countries; that is, in countries where more than half the gainfully occupied males are engaged in farming, hunting and forestry. For millions of people in these lands, life is a struggle against starvation and the problem now before the United Nations is how to improve their conditions and thereby gain their confidence in the "democracies." Unless they succeed, and quickly, the Communists with their promise, "You shall own the land you till," will win them over completely.

Many evils contribute towards a country's inability to progress beyond a peasant-agricultural economy, and these vary from country to country. But all underdeveloped countries suffer in common from their bad land tenure systems.

In India, where less than a third of the farmers own the land they cultivate, the system is rooted in antiquity. Landlords were unknown for centuries because, under the old Hindu law, "the field is the property of the man that cultivates it." But, under the Moguls that law was forgotten and there grew up in India three types of tenure: the zamindari, the ryotwari and the mahalwari. These have been cemented into the economic pattern of the country and exist today.

The zamindars, originally tax collectors, became, under British rule, full proprietors of the area over which their collections gave them power. They are responsible to the government for the taxes, and are free to rack-rent the cultivators as much as they are able.

Under the ryotwari, the ryot, or peasant, retains his status as proprietor and pays his taxes direct. But in many sections the ryots have lost the ownership of their lands becoming, instead, lessees or tenants. Under both systems, and especially under the zamindari, a complicated sub-leasing arrangement has grown up, with, in some cases, as many as thirty middlemen queued up between the actual owner and the cultivator, each collecting rent from the man below him in the line. Thus the worker gets at best, no more than thirty or forty per cent of his crop each year.

Under the third system, the mahalwari, village communities are counted as units in themselves, and property is in joint or communal ownership.

Efforts on the part of the National Government to institute land reform measures have been consistently blocked by the zamindars. However, action taken by the Supreme Court of India in October, 1951, has paved the way for state confiscation of large holdings with "proper compensation," and redistribution of the land to the peasants. It remains to be seen whether these measures will be carried out, and how they will benefit the Indian masses.

In Egypt, where nineteen million people crowd the narrow valley of the Nile, and where three-quarters of them depend on agriculture, there are some 2,662,000 landowners. Yet of this number, a mere handful—a half of one per



Farmer of southern India. Less than a third own the soil they till. —County County Officer

cent — owns a third of the whole fertile area. The rest work on plots so small that despite the productivity of the soil, they can wrest but a meager living from it. The diet of these poor people consists mainly of beans and corn, with very little milk or meat. They are physically wretched and little better off than slaves.

The Egyptian pashas are the cotton barons and businessmen, and have great influence in government circles. As would be expected, they have bitterly opposed all efforts at reform.

In Iraq, in those regions where pump irrigation is practiced, the land is mainly the property of the pump owners, who take three-quarters or more of the crop. In the districts of flood irrigation, the sheikh and sikar together take up to eighty per cent, which places them in a rather better position than their fellow-plunderers, the zamindars of India.

In Syria the greater part of the land is owned by city notables, who are also the ruling class, and it is cultivated by small share-tenants. The share-tenant brings his corn to the village threshing floor and when the grain has been threshed the landlord or his agent takes half. Towards this share he has made no contribution. All the labor, all the seed, all the livestock, etc., has been supplied by the tenant. Nor does the tenant enjoy security of tenure. He may be dispossessed without notice and without compensation.

Statistics do not exist to prove exactly how much of the land of Syria is owned by large proprietors, but it is estimated to be about sixty per cent, and may be as high as seventy or eighty per cent. In northern Syria, in the district of Hama, for instance, out of a hundred and fourteen villages, a total of eighty-six are owned by four landlords.

Under the circumstances, it is easy to see why long-term investments are not made in Syrian

agriculture, why the land resources are allowed to waste, and why the share-cropper has so little incentive to improve fertility. He has no security of tenure, so why invest in the future? His landlord will take half of any increase, so why enlarge the yield? As for the landlords, as a class they are not farmers, but city-dwellers, so they have little interest in the land except as a source of income.

In Japan, prior to World War II, tenants and part-tenants accounted for seventy per cent of the farm families. Landlords extracted as much as half the annual crop and by the time the Japanese farmer had paid this and purchased his chemical fertilizer, he had as little as thirty per cent left for his labors. Like his Syrian counterpart, he, too, lacked security of tenure. Landlords could, and did, terminate leases at will. Similar conditions prevailed in China in pre-Communist times.

The land reform directive issued by General Douglas MacArthur in December, 1945, ordered the Japanese government to "take measures to insure that those who till the soil of Japan shall have a more equal opportunity to enjoy the fruits of their labor." As a result, five million acres, involving thirty million plots, were purchased and sold separately—sixty million transactions requiring a work-force of some three hundred thousand to carry out the job. According to Wolf I. Ladejinsky, writing in *Foreign Agriculture* in September, 1951, "Widespread land ownership makes the Japanese countryside almost impervious to communism . . . Communist promises of 'land to the landless' do not entice farmers any longer. On the contrary, the new owners enlarged measurably the class of staunchest opponents of Communist economics and politics . . . The agrarian reform has not only undermined that creed, but also strengthened the forces that make for a middle-of-the-road stable rural society, based on individual ownership of land."

But the problem of land reform is not confined to the East.

Serious land problems have existed in Mexico since the days of the Spanish conquest when whole Indian communities—and sometimes more than one—were given into the custody of a single conquistador with the right to collect tribute from the inhabitants and to extract certain services from them. Allegedly, the reason for this system of "stewardship," the "encomienda system," was to protect the Indians from exploitation. Actually, it produced a state of Indian servitude. And although the system was abolished by law in 1720, the new landlords were so well entrenched by that time that few of them suffered by the change.

By means of Article 27 of the Constitution of 1917, and subsequent legislation, Mexico is trying to break the strangle-hold of its ancient land system. Article 27 provides for (1) the restoration of land to villages, (2) the outright grant of lands to villages in cases where they

(Continued on Page Three, Column Two)

A Word With You

BY ROBERT CLANOV

New York—the great cosmopolis, the rendezvous of nations, the world's market place, America's answer to London—New York is on the verge of bankruptcy.

By every sign, wealth should be pouring in, and the city administration should be so embarrassed by its riches as to offer public services to the rest of the nation.

Instead—what? New Yorkers are taxed to the point of exasperation, and city officials must attend one crisis session after another on the city's deficits. The city's transit lines, about whose efficiency much could be said, have been running deep into the red.

After foisting a three per cent sales tax on an unwilling public last year—which does not seem to have prevented recurring financial crises—the city fathers are now planning increased taxes and some new ones which are dilies; also a hundred million dollar bond issue. Against Council President Rudolph Halley's admonition, these measures are being speeded through without public hearings. After all, what does the public know about such things?

Is this an extraordinary emergency due to some grave disaster? No; this is just to keep the city going in an ordinary way! For a while. Within the year there will be another crisis.

The city's budget is now about the size of the federal budget fifty years ago, and is still rising. All the burgeoning bureaus are howling that they need more and more. And apparently the New York taxpayer has nothing to say. Just pay.

The only sign of effective organized resistance to higher taxes seems to be on the part of the real estate lobby. It is evidently easier for the city to look elsewhere than the natural source for more revenue, rather than buck this lobby too strongly.

How much longer can this go on? Isn't it obvious that the impasse is getting closer? Very fundamental, very radical treatment is needed.

The city fathers would do much better to turn the other way and start asking the citizens what services they want the city to provide and how much they want to pay for them. They'd also do much better to turn over a lot of the overgrown bureaus and "services," fat and slug-gish with graft and corruption, to private competitive business.

Of course, if citizens were to pay for what they demanded, that sounds pretty much like the public collection of land rent. Well, what's wrong with that?

Gems for Georgists

BY NOAH D. ALPER

Single Tax in Operation

"The State Toll Bridge Authority announced today it was releasing space under the Bay Bridge approach between Fourth and Fifth streets for use as a public parking lot for approximately 200 cars," according to a report by Ralph Huntington of San Francisco. "Bids are now being received for the parking area, which is bounded by Perry, Fourth, Bryant and Fifth Streets, and will be opened March 13."

But why a nibble in place of a meal? The bridge itself created untold millions of such income. Why the leaks from the public treasury for public use?

Hidden Taxes Heaviest Burden

"The United States Chamber of Commerce (Washington, D. C. AP Mar. 8) said today that most people pay out more in hidden federal taxes than they pay in the direct tax on their incomes . . . more than 30 cents of every dollar made by a man with a \$3,500 income now go for federal, state or local taxes." Among the taxes listed by the Chamber were Corporation taxes (often passed on to the consumer in higher prices) and "myriads of excise taxes." "Most people are blissfully unaware of the fact," the report stated, "that large corporation taxes, excises and sales taxes have been a major cause of the high postwar cost of living."

Urges More Powers, Duties for State, Local Governments

In the third point of a "formula for keeping the federal budget in balance, for maintaining sound currency and for restoring the functional and geographical diffusion of political power envisaged by the framers of the Constitution of the United States" General Eisenhower says: "Assign more powers and duties to state and local governments; local citizens will keep a closer watch over expenditures for any kind of purchase when paid for exclusively by them than when the funds seem to come freely from a far-off Washington . . . the local government cannot debate our currency in order to pay its bills."

In the making of 'The Great American Tax Shift, the bulk of which began with the passage of the Income Tax Amendment, costs of roads, schools, welfare, etc., were largely shifted to state and federal governments. Non-property taxes, such as sales, gasoline, income, etc., were used to meet these costs taken on by higher levels of government. In economic effect the cost of the privilege of private and exclusive use of land was reduced—rent-of-land incomes relieved, while wages and interest incomes were harshly assailed. Land speculation, the greatest single inflationary influence, was encouraged to debase our currency.

The General does some good shooting, but its far from a "bull's eye" rating.—*Man From Aftelene* published by Kevin McCann.

Why Not "Windfalls" For the People?

"Just one of the Power Commissioner's recent rulings, freeing natural gas producers from federal control, will increase the bill of the nation's gas consumers by a couple of hundred million dollars annually. The same single ruling, according to the estimate of former Power Commissioner Chairman Leland Olds, increased the value of the proved natural gas reserves of just one corporation, the Phillips Petroleum Co., by \$700,000,000."—Joseph and Stewart Alsop, New York Herald Tribune, Feb. 11, 1952.

The Land Racket

"Under the mining laws of 1872, anyone can file a lode claim up to 20 acres or a placer claim up to 160 on public land, and control the surface as well as what is underneath. Some 1,800,000 acres of public lands bearing more than \$55,000,000 worth of timber have thus been tied up by individuals. The Forest Service estimates." A St. Louis Post-Dispatch of February 16 reports that "in California alone \$36,000,000 worth of public timber has been rendered useless in this manner."

This was referred to in the editorial as a "metal-mining claims" racket. Recently a change in laws relating to natural gas enabled one corporation to add \$700,000,000 capitalized value to their assets.

The United States is obviously a wide-open land racket area where many can profit from tax-control which "untaxes" rent-of-land.

The Missing Ingredient: "Know How"

"Pope Pius XII urged today that more of the world's goods be given to the needy," said a Vatican City, March 8 AP dispatch. "There is an intolerable contrast between immoderate luxury and poverty that is sometimes shameful and always heartbreking."

"What has been done to lessen . . . this contrast?"

"Doubtless success cannot be won in a day but it is necessary to go to work immediately and push ahead with all effort."

John Lincoln Says

A writer in The Commonwealth — (journal of the Commonwealth Club of California) lists what he calls the "ill-advised" features of land-value taxation. Because his views, though wholly fallacious, are widely held, they are answered briefly below:

Land would be no more nationalized by land-value taxation than our homes are now nationalized by property taxes. Titles would remain in private names, owners in exclusive possession, so long as land-values taxes were paid, just as home owners now retain their homes only so long as they pay the taxes on them.

Since no man's land would be taken from him there would be no confiscation. In most cases landowners would gain more by relief from taxes on labor products and incomes than they would lose in ground rent.

Ground rent belongs to the community as a whole. Its public appropriation would mean equal contribution by all—the widest possible tax base (ample elasticity). If necessary, some of the taxes displaced by the land-value tax could be re-stored for the emergency.

Land value is the easiest of all to ascertain (no assessment difficulty), as has been demonstrated in New York, California, Pennsylvania and other states where land and improvements are assessed separately. Land is immovable and un concealable. Fraud and evasion, common to income and personal property taxes, would be virtually impossible.

Everybody without exception would pay taxes since ground rent belongs to all (*not* "A small class would pay the taxes—a large class would vote them"). The rent the landowner pays is the use of land to which special advantages have been given by government and society. There is no "aggregate fund" of capital. Capital is invariably forthcoming in adequate amounts whenever it may be employed with profit and reasonable safety (*not* "less capital for other productive enterprises").

Government bonds, not loans on land, constitute by far the greatest single item in bank and insurance investments (no security would be jeopardized). Mortgage loans practically always include buildings and other improvements on the land. Such improvements often exceed the value of the land itself. Their value would be enhanced by relief from property taxes.

—From the March Lincoln Letter

The Ether Again

IN THE philosophy of Oscar Geiger (outlined in my book *A Seed Was Sown*) the "ether" holds a central place. Not the ether of surgery, but "a universal substance which fills all space, and which is the foundation of all creation.

Speculations about such an ether were in the realm of philosophy until the nineteenth century when scientists took it over, as they probed the nature of the material universe. The hypothesis of an all-pervading ether gained in plausibility as atomic discoveries were made.

But the ether suffered reverses. First, the Michelson-Morley experiments did not reveal any of the assumed physical properties of the ether (such as resistance, etc.); then Albert Einstein came forth with his relativity theories, and there was no place in his equations for the ether.

Except for a few die-hards, like Sir Oliver Lodge, most scientists thenceforth dropped the ether and it became a back number.

Oscar Geiger, who kept abreast of scientific developments, nevertheless held persistently to the ether. He claimed that Einstein's new space was in reality the ether—and that scientists were only discovering new things about it.

Now it seems that the ether is enjoying a strong revival. At Cambridge, in England, P. A. M. Dirac, pursuing the study of matter, is finding that a logical development of Einstein's theories leads right to the ether. Professor Dirac's views have been supported by numerous leading scientists, including Viscount Samuel, Sir Edmund Whittaker, and a new advanced group known as the Cavendish School of Cosmologists.

The far-seeing Oscar Geiger has already been vindicated in his insistence on the educational method in order to further the philosophy of Henry George. Will he also be vindicated in his philosophy of the ether?

—ROBERT CLANCY

[Copies of *A Seed Was Sown* may be obtained from the Henry George School, 50 East 69th Street, New York 21, N. Y., at \$1 a copy.]

Abandoned Farms

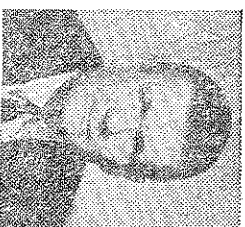
The Census Bureau is turning up some startling facts on agriculture. A survey in Iowa, for example, shows that in the past five years, 5,000 farms have simply vanished. The dwellings and farm structures are falling to pieces. The bigger farms swallowed the smaller ones. In 15 years, nearly 20,000 farm units have gone out of existence as such and have been absorbed in larger holdings.

The number of tenants also has dropped. In Iowa alone, 10,000 tenants went out of business in the five years preceding 1950. Half became part owners, and the other 5,000 were victims of the increasingly high cost of being a farmer. Other strange facts: Fewer farmers and more automobiles; fewer farmers and more trucks; fewer farmers and more telephones; fewer farmers and more pigs, but fewer cattle.

All this proves what most farmers either know or sense, for those who can stay in the business it becomes more complicated, more scientific, every year, and the problems are bigger. The rewards are also bigger for those who can ride with the tide and become bigger themselves.

—From *Successful Farming*, November, 1951. Article entitled "The Farmers Washington" by Richard Wilson.

PLAIN TALK by Jerome Joachim



Further proof of the fraudulent nature of our Social Security laws, touted as a device to drive out "freedom from fear of old age" is supplied by the present experience of those who have reached the age where this "wonderful" scheme was supposed to make their old age comfortable.

While it is possible to draw as much as \$68.50 a month from Social Security, the average payments are about \$42 a month. Where husband and wife both draw social security, the total may amount to \$63 a month. If the recipient attempts to add to his income an amount sufficient to live on, the Social Security payments are withdrawn.

Thus the one great "freedom" given us by our Welfare State is the "freedom to starve." As under the old system, only those who have personally provided for their old age are able to live without further effort, but the amount needed to so live—because of the actions of the Welfare Staters—is far greater than it used to be even with Social Security payments added. "But even \$63 per month is better than nothing," argue the proponents of such measures, "and what we should do is to adjust the law so that the payments will be sufficient."

The reason present payments under Social Security are inadequate to provide for its so-called beneficiaries is not because of inflation but because instead inflation is caused by laws which attempt to provide such benefits. The motives back of Social Security are good but the methods used are unworkable.

Had the people, now hoping for benefits and those who expect them in the future, created tangible goods with their surpluses they could have loaned their good to those who are now producing what these people need. But instead of doing that they entrusted their funds to a government which immediately spent these surpluses on goods which were consumed.

Man and His Land

(Continued from Page One)

are needed even though previous ownership cannot be proved, (3) the recovery of public lands and waters that were previously alienated illegally in opposition to the public welfare, and (4) the destruction of the large landed estates by limiting legally the size of private holdings. It also states that the nation is declared the "owner of waters, mineral deposits, and subsoil . . . although private parties may be granted right of exploitation under certain specified conditions."

Between 1917 and 1946 more than thirty million hectares of land were redistributed to the Mexican peasants; but the program moved too rapidly. Workers had not been educated for the shift and many of them made poor proprietors. The economy of large areas was therefore disrupted; meantime boundary disputes arose and insecurity of tenure became widespread. Since 1946, the government has proceeded cautiously, buttressing its actions with educational techniques aimed at bringing modern methods into practice and at safeguarding existing soil resources.

In Latin America half of the agricultural

Now these people expect their government to seize, from present producers, sufficient goods to sustain them. The attempt by the government to do this is inflationary, raises prices and reduces the total goods which can thus be seized. Attempts to rectify this by increasing Social Security payments will further increase prices and will tend to nullify the benefits such increases would be intended to provide.

The only way men can provide for their old age is to produce durable goods which they can "loan" or "rent" to subsequent generations, goods which will save human effort for those to come. If they build houses which can be rented, the renters will be saved the labor of building their own homes and through the rent they pay will help sustain the older people. If the savers build factories, subsequent generations, in paying for the use of such tools, will sustain the previous generation because they have been saved human effort.

But our Social Security money was "loaned" to our government and while we did not spend it personally we never-the-less spend it through our legally authorized representatives which has the same effect. We cannot expect to eat our cake and still have it, and the present facts prove the wisdom of this maxim.

Welfare Staters base their convictions on their desires. Wanting an automobile will not produce one. Arguing that society owes oldsters a life of relative ease will not create such a life.

Most vicious is the practice of telling people that their future is not dependent upon their own efforts and good judgment. This is but to fool and weaken them. America will gradually weaken as it adopts more and more of the Welfare State teachings and eventually will have to be content with the static "nothingness" of the totalitarian state unless it soon sees the ridiculousness of the reasoning of its Welfare Staters!

land is in individual holdings that exceed fifteen thousand acres, the other half being portioned out among small holders who do subsistence farming on a few acres. In the last ten years or so, efforts at land reform have been undertaken in some of these countries, but only sporadically. For instance, laws have been passed requiring landowners to rent idle land or sell it; requiring plantation owners to provide rent-free plots to their laborers for raising subsistence crops, and, in a few instances, to provide the workers with credit and technical assistance. Nowhere, however, has the real core of the problem been touched.

To continue would be to retrace a pattern already clear. As Isadore Lubin pointed out in a recent issue of *The New York Times*, "It would be difficult to set up deliberately an economy that would more effectively suppress individual initiative." Yet "individual initiative" is what is most sorely needed in these underdeveloped countries if they are to progress along the lines of our free enterprise system. The United Nations, anxious to beat the Communists to the draw, is looking for the answer.

THE LAST OF THE RADICALS. Josiah Wedgwood, M.P. By C. V. Wedgwood. Marillian Company, New York, 1952, 245 pp. \$3.

Reviewed by Susan S. Donahue.

Winston Churchill once stopped Josiah Wedgwood, M.P. on the street to say, "I've just been reading your Henry George, Wedgwood, and I must say I can't see the catch in it." "Thank God," replied the member of Parliament. He was always enthusiastic about a new disciple.

After reading this colorful account of the life of a great single taxer, by his niece, the historian, one might be tempted to say that Josiah Wedgwood was a follower of Henry George from his birth. Through a long life in which he championed many causes, all were based upon the success of the single tax.

"Jos" Wedgwood was not only a true radical, he was practically the only one in his own political company. He was the first to introduce in South Africa the Unimproved Values Rating. This was in 1902. At that time Lord Milner appointed him Resident Magistrate for the districts of Ermelo and Carolina.

Wedgwood liked the life in South Africa for he always enjoyed a "benevolent despotism." Generations of Puritan ancestry — as Miss Wedgwood puts it — "warmed his blood to this Old Testament patriarchy. His political convictions were, of course, of quite a different color. The registration of land and fixing of rates was going forward. Josiah had not yet read *Progress and Poverty*... But his brother Ralph, writing from home, urged him to have the rates levied on land values alone."

Josiah followed his brother's advice and the system worked well. But he had a serious disappointment at this time. "He had hoped for universal municipal suffrage; it was not granted. Indians (and of course Kaffirs) were excluded. From this exclusion, he always believed, the yet unsolved troubles of South Africa have all come."

Regarding Wedgwood's activities in Northern Nigeria Miss Wedgwood writes "The land for all the people, regardless of race, creed, color; the Colonial Empire was the proper place for the exercise of the doctrine of Henry George, as in the home country. About this time Josiah played an important part on the Northern Nigeria Land Laws Committee. They prepared a report on the principles of Henry George, setting down in firm and coherent form the basis of colonial policy which would enable the native to hold and develop his own land. The London Times described this document with justice as 'the most far-reaching measure of constructive statesmanship West Africa has ever known.' The legislation based on the report has in fact secured the natives of Nigeria from being turned into landless proletariat as has happened in so many other primitive communities."

It was in 1904 when Henry George and *Progress and Poverty* were both enjoying a great popularity that Josiah Wedgwood fell in love with both to remain a stout and incendiary Georgist to the end of his life. Nearly forty years later he wrote a matchless tribute to his leader, the greatest single influence in his life: "From those magnificent periods, unsurpassed in the whole of British literature, I acquired the gift of tongues. Ever since 1905, I have known there was a man from God and his name was Henry George. I had no need henceforth for any other faith."

STRANGE LANDS AND FRIENDLY PEOPLE. By William O. Douglas. Harper and Brothers, New York, 1952, 336 pp. \$4.

Reviewed by Arthur Dunn.

"The place to start reform in Asia is with the land . . . All other ills stem from that," wrote Mr. Douglas in this valuable book. Justice Douglas, with his son, toured the Middle East by foot, horseback and jeep, spending most of his time in the mountains and villages talking to tribesmen, farmers and shopkeepers.

Some of the questions these people asked caused him to wonder if all our talk about democracy and justice did not have a hollow sound so long as American foreign policy failed to raise its voice for the reform of the vicious tenancy system. What is to be gained by American financing of agrarian projects if the man who works the land does not share in the product of his labors?

To quote the author at random, he gives us such characteristic responses as: "Why should a few men own all the land and make us work for nothing?" (from a peasant at a threshing floor in Bashan south of Damascus.) "I would be glad to live like a dog if only there was hope for my children," (the voice of an Iraqi villager near Besra. "Is America the good nation we were told when it destroys its surplus potatoes and lets people die?" (this from a peasant of India as he pointed to dead bodies of those who had died of starvation).

Writing particularly of the Arab world the Justice stated, "The reasons for this poverty are several. First is the system of land ownership. In Egypt about four million people are actively engaged in agriculture. Of these, three million own no land or own less than a feddan—slightly more than an acre. In Syria about 55 per cent of the land is owned by landlords and cultivated by share tenants. . . In Iraq practically all the land is owned by landlords who lease it."

The author summarizes with: "We can help those who are seeking an escape from squalor to find alternatives to Communism. We cannot do it by talking democracy and peace. Our foreign policy must be specifically related to the land problem. We should be behind those who sincerely have as their motto 'the man who works the land should own it'."

Senator A. W. Roebuck of Canada Commends New Zealand on Results Of Partial Site-Value Taxation

"I HAVE seen with my own eyes the effect of a very small portion of single tax in actual operation. It is a very partial application but enough to prove that it works. The houses here have 50-foot lots and the homes are beautiful. About 50 per cent of the municipalities levy on the unimproved value of land and the state raises £1,000,000 from the land values of estates over £5,000 in value. This is old legislation which the Labor Government approved and did nothing to assist, and which the new government, which is called Tory, and claims to be liberal, knifed as one of its first acts. It increased the exemption from £5,000 to £10,000, and the Labor members said not a word."

"At the same time the municipalities are going 'single-tax' one after the other, due to the heroism of Dr. O'Regan and the small coterie of single taxers."

—Excerpt from a letter written to Geo. Cartwright of Modesto, Calif.

According to Him

THE WOMAN waited in line for her turn at the teller's window. When she reached it, she slipped her check under the wicket. Then she waited patiently while the clerk disappeared into the inner reaches of the bank. Presently he returned and slipped the check back under the wicket.

"I'm sorry," he said politely, "but you only have \$49.72 in your account, ma'am."

"I know that." There was a note of annoyance in her voice.

"Well," the teller stammered, "I, er, you can't cash a check for \$100 then."

"But I need \$100."

Viewed on a television screen, this incident would be high comedy. The tragedy, however, is that this approach underlies our present attitude toward our national economy and the fiscal policy of our government.

We are in the habit of thinking in terms of what we need rather than what we produce. There are many evidences of this thinking in business, in government and in finance.

In business, the most readily recognized example is in labor-management relations. The General Motors wage contract, tying worker pay to cost-of-living scales is a case in point. Labor unions quite frequently base their demands on what their members need. Pension plans, designed to pay the retired worker a certain living scale, are another instance.

In government, we have perhaps the prime offender. Executive and legislature decide what

What Do You Want THIS?

1. ACCEPT poverty and exploitation as inevitable under free enterprise?
2. REDISTRIBUTE income by taxation, grants, subsidies, Public Assistance and other forms of State "charity"?
3. PENALISE the producer and regiment the consumer?
4. LEVY taxation regardless of the individual rights of producers and workers to what they earn?
5. GRANT special favours to sectional interests at the expense of the community, e.g., featherbedding agriculture and protecting inefficient producers from competition at home and abroad?
6. MAKE practically every aspect of legitimate trading subject to Government permission, supervision and control?

Purchase Tax and other indirect taxes raise the cost of living; and taxes on enterprise and earnings restrict production.

TAX LA

Copies of the above pamphlet are available
Loi

Need by STANLEY SINCLAIR

will be needed, appropriate the money and then proceed to squeeze it out of the economy as best they can. This need-squeeze practice lends directly to deficit financing. Since the squeezers frequently fall short of what has been considered the need, there is the necessity of borrowing. Government's borrowing, as experience in recent years shows, creates additional money and thereby debases the money already in use.

It is impossible to trace this sort of thinking directly to the Marxian dictum: "From each according to his ability and to each according to his need," but it is a fair guess that this type of thought has infiltrated our approach to working and living. Perhaps it is the tremendous amount of goods America is able to produce. This seemingly endless cornucopia might well have lulled us into the illusion that wealth abounds. All we must do is need something and the vast American productive machine will turn it out for us.

Since our capacity to need things is limitless, we are doomed to disappointment. It is inevitable that our "needs" will outrun even this modern cornucopia.

We seem to have forgotten a basic principle: Men can acquire what they need only through labor or exchange. Distribution then must be based on what has been produced, and consequently what can be exchanged, and not merely on what people "need."

Until this principle is reclaimed, there would seem to be little hope of either opportunity or stability in our economy.

A Government to Do?

THIS?

1. **RECOGNIZE** that poverty is not caused by free enterprise but by the denial of equal rights?
2. **COLLECT** for the community what is justly theirs—the rent of land—and remove the burden of taxation on labor and enterprise?
3. **REMOVE** the barriers to production and trade and allow consumer choice to function freely?
4. **REQUIRE** landholders to pay for the advantage they enjoy over their fellow citizens?
5. **RESTORE** the free market, repeal all sectional legislation and remove all import and export restrictions and let consumer demand be the sole judge of efficient production?
6. **SEE** that the freedom of the individual is restricted only by the like freedom of others?

Land Value Taxation destroys land monopoly and speculation, stimulates production, raises wages and renders other taxation unnecessary.

D VALUES

from *Land & Liberty*, 4 Great Smith Street, S.W. 1

A Single Tax — The Taxpayer's Dream

By NATALIE PUVERENTI

Director of the Istituto Ethos, Milan, From Terza Forza (Third Force) Rome, January 6, 1952

Translated by BENNETT CHAMIS

THE substitution of one tax for innumerable taxes has long been the dream of producers, and the unfulfilled promise of governments who, instead of simplifying taxes and reducing their number, have multiplied and complicated them. The point has been reached at which the cost of declaration, certification, control, recourse and sanctions outweigh the relative returns.

Common sense would suggest that all taxes, the expense in collection of which is greater than their gains, ought to be abolished. The state would then be relieved of the infinite bureaucratic expenses that go to maintaining an anti-economic personnel, while industry and exchange would be freed of enormous burdens, resulting in a corresponding reduction in the cost of living.

But common sense is not a factor in matters bureaucratic. The bureaucratic state, instead of reducing, streamlining and simplifying expenses, augments them—and to meet the consequent new government obligations it levies new taxes. These, in turn, serve principally to pay those who collect them, thereby giving incentive to still more taxes, and to that dreaded inflation for the avoidance of which heavy sacrifices are imposed, accompanied by credit restrictions that result in the anemia of industry and labor.

We do not intend, here, to probe to the heart of the crisis that is developing among anti-inflationary economic thinkers, whose theories lead, ironically, to said dreaded inflation. No, we wish to present the economic doctrine called "Geogist," proposed by the great American Economist, Henry George. A sketch of his biography, entitled "The Prophet of San Francisco," was recently broadcast by the R.A.I. of Rome, and his doctrine which resounded throughout the world at the close of the 19th century, was briefly outlined. *Progress and Poverty* published in 1879 was the most widely circulated of the numerous volumes by this economist, and it was a veritable sensation, causing a turmoil of international discussion.

The phenomenon that most deeply impressed Henry George was the constant recurrence of increasing wealth side by side with chronic, extreme poverty. In spite of the phenomenal progress which civilization has made since the time of the first edition of his famous book this paradox still exists. Even admitting the social gains of laborers, their enjoyment of a standard of living more convenient and comfortable than that of a century ago when electric lighting, the radio, and rapid transit were still unknown, the progress of the working man has not kept pace with production. Poverty as the boon companion of opulence remains inexorable, and a greater menace than ever.

The fear of social revolts and of war has its origin in that phenomenon, inherent in progress itself as we know it, of which George discovered the cause. He made it the subject matter of the doctrine which bears his name and revealed its practical remedy.

The idea has been caught up by more or less seditious Socialist parties, and has started fundamental reforms which still constitute the basic program of various existing parties: agrarian,

taxation reforms, etc. In many countries, moreover, such as Denmark, New Zealand, Australia, et al., political parties have been founded upon this doctrine, and in these as well as in some North American states the Geogist principles have been partially applied, with palpably beneficent results.

The origin of all economic distress, according to Henry George, may be traced back to the source of all monopolies, *land*, the primary good, the supply of which is limited.

Why does the value of land increase with the growth of population? It is obvious that city land costs more than land in outlying districts; that it is more valuable in great cities than in small ones; that where population increases with accelerated rhythm, as in immigration centers, land values are greater than in places which are being depopulated by emigration, or by lack of facilities for manufacture and exchange.

Is it due to any merit of the proprietor that the value of his land skyrockets? Most certainly not. It is due solely to the presence of the people who come to inhabit it and cause its value to increase by competing with one another for the privilege of its use, i.e., more people, more competition, more value. Now if these people want to cultivate a piece of land wherewith to provide themselves with the ever-increasing and more costly necessities of life, or if they prefer to start an industry, they have first to satisfy the demands of the landlord.

Henry George stressed the distinction between the improvements made on or from the land by man, and the free gifts of Nature which in themselves have no value whatever. Thus a purely social value is created, natural—even providential—no individual has a right to call it his own. Were rent collected by and for the community, as Nature's own provision for necessary public revenue, rent would emerge in its true light as a blessing and not as an imposition. The man who paid rent for the privilege of using land would be giving service for service (in freedom from taxes, and in public benefits) — value for value. When an individual usurps this value, however, and claims the right to collect rent for what belongs only to society, the reciprocity of the above relationship ceases, and the landlord has power to extort service without giving any.

While Socialists and Communists resort to the revolutionary remedy of nationalizing the land and all other means of production, George, who wished to avoid alarming productive proprietors with anything revolutionary, conceived of a tax on ground rent, which cannot be shifted to tenants or commodities, as is the case with a vast number of other taxes. Henry George advocated only the gradual application of his remedy by a very simple device, to wit: reduce periodically the taxes on buildings and improvements by a certain percentage, and increase the taxation of land values by the same percentage, until ultimately, without pain or upheaval, the latter would amount to 100 per cent of the rental value of the land.

This in synthetic summary is the essence of the doctrine that has aroused malicious criticism on the one hand, and storms of enthusiasm on the other.

Underprivilege a Reflection of Special Privilege

By PHIL GRANT

(The history of civilized communities shows us) that one man can have a privilege only by depriving another man, or many other men, of a portion of their rights, consequently, a reign of justice will consist in the destruction of every privilege of every right. — PATRICK EDWARD DOVE, *The Theory of Human Progression*.

IT ISN'T necessary to be a brilliant scholar to see that any special privilege given to one person, or to one group of persons, must be unjust to all the others. For example, a special privilege in the form of an exclusive patent gives the man holding it an advantage over all other men, for only he is permitted to manufacture and sell a particular item of wealth. Patents, then, place the patent holder's competitor at a disadvantage. But since a patent remains in force for only a limited time, after which anyone who wishes may use the patented idea, and since patented articles are never essential goods, (food, clothing and shelter), the patent monopoly isn't a very important privilege so far as its effect on society is concerned.

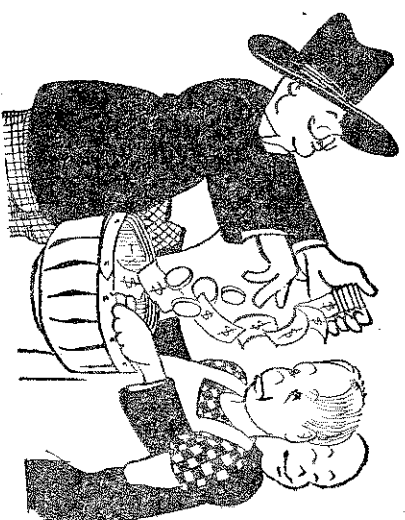
The special privileges given to farmers, manufacturers and other industrialists in the form of subsidies and tariff protection are by far more harmful to society at large. For all consumers of goods must pay out of their pocket the unearned money that goes into the pockets of the tariff-and subsidy-protected few. If a pair of shoes made by an American manufacturer costs five dollars, an American citizen can buy four pairs for twenty dollars. But, if a pair of shoes made by a foreign manufacturer costs only four dollars, an American citizen can still get four pairs of shoes for his twenty dollars, and also have four dollars left over with which to buy food and other things. In other words, his twenty-dollar bill becomes worth four dollars more—he is just as well off as if he had received a four-dollar raise in salary! However, when the government charges the foreign shoe manufacturer one dollar for every pair of shoes he sends to America, the American can't buy shoes for less than five dollars because the extra dollar that the foreigner must pay to get his shoes into our country must be added to the retail price of the shoes, and, as a result, we must pay an extra dollar out of our wages which the government gets. If we buy American-made shoes instead, we must still pay a dollar more than we formerly did; but this time it is the tariff-protected manufacturer who gets the extra dollar. Either way, the consumer is robbed of one dollar.

The manufacturer puts up a loud, though not too reasonable, argument in favor of tariffs, which is believed by an amazing number of people. He says that the tariffs protect the workers' jobs and increase their wages. The facts are otherwise. Tariffs are known to be one of the major causes of unemployment. Moreover wages in tariff-protected industries are at least as low as, but usually lower than, wages in unprotected industries. If we remember that tariffs must, by their very nature, increase the cost of goods, it follows logically that they must reduce the buying power—the wages—of all who buy tariff-protected goods. And the higher we build the tariff walls the lower our national buying power — wages — must fall. That's so obvious it's hardly worth the space we've devoted to discussing it.

The subsidies paid to farmers and to other producers are other special privileges that are typically unjust. For, the purpose of subsidies (as our politicians admit without shame) is to keep prices up above their natural level—to deliberately increase the cost of living—during periods when most consumers are complaining that the cost of living is already too high! Here again, the only effect subsidies can have on our standard of living is to lower it, since to increase prices, by subsidy, is to lower the buying power of our earnings. But what is worse, any subsidies the government pays must be taxed away from the citizens in one way or another, because the government has no money of its own. As we know, increasing taxes also reduces the buying power of the consumer's wages. One might almost think the government hated its citizens judging by the many and elaborate plans Congressmen work out to rob citizens of the wealth they, the citizens, produce.

Clearly, to tax one group of people to pay subsidies to another is horribly unfair. Not so clear, however, is the fact that the subsidies aren't intended to benefit the working farmer, as he has learned to believe, but is designed to help a smaller, though far more articulate, group of our citizens. Who and how, becomes quite apparent if we try to imagine what would happen if the government stopped handing out subsidies to the farmers. If the reader recalls the earlier chapters of this book,* he will clearly see, that with subsidies removed, only farmland that would produce a thousand-dollar-crop at a cost of a thousand dollars in labor and capital, could be used. And that, obviously, would mean that any farm land less productive would have to be abandoned. Since it is necessary for our government to pay out subsidies to so many of our farmers, it is evident that many farms now in use would be among those abandoned if subsidies were discontinued. In other words, all of the sub-marginal land now in use would become an unwanted drug on the market. That, of course, would be a great hardship on sub-marginal farmers, since they would lose their farms. But a far greater hardship would be suffered by the banks, insurance companies and other mortgage-holders. For they would find themselves suddenly loaded with thousands of farms that could not be worked profitably, and that could not, therefore, be sold or rented. To make matters worse, after the money lenders foreclosed and owned all these properties—properties bringing no income—they would have to pay the taxes their tenants formerly paid for them. Being human they have the idea of paying out taxes for land bringing in no rent or other income.

Before subsidies were introduced, the money lenders very often lost their shirts when prices fell. But today, by having the government keep prices up with subsidies sneaked out of the taxpayers' pockets, the mortgage-holders—the actual landowners—can't lose. That is why the little farmers throughout the country will confess that the subsidies they do receive from the government rest in their hands only a short time before they must pay them over to the real owner of their land in the form of higher rent, or in a higher cost of living, and in higher usury rates. Some of what they have left of the subsidy Uncle Sam taxes back from them.



But there is one other way that farm subsidies benefit the big landowners, and that is by creating higher economic rents on better-than-marginal land. For it will be recalled that superior land produced a rent in the form of bigger crops with the same investment of labor and capital. One needn't be too bright to see that when government boosts the price of wheat high enough to give the man on the poorest land a bare living, the higher price per bushel gives the owner of better lands an even greater rent. Since the best land is in the possession of the big landowners—not the working farmers—we may be sure they favor subsidies, too. And why shouldn't they? It means so much more wealth in rents transferred by our government to their pockets from those of the nation's taxpayers.

That these special privileges—tariff protection and subsidies—are as dishonest as any other form of robbery, can't be disputed. Yet they aren't quite as harmful to society as the special privilege to own land. For the horror and misery that arise as a result of land ownership, unless examined, is beyond belief.

*From *The Wonderful Wealth Machine*, by Phil Grant: a modern version of *Progress and Poverty*, to be published by Devin-Adair Company, New York.

Land Should Be Owned by Users

IT IS not good for agriculture or rural communities for town and city people to buy farms for investment and speculation. In some circles, the volume of purchases of farms for investment and speculation is considered a good barometer of agricultural prosperity. But among people concerned about the welfare of agriculture and rural communities, such purchases and ownership cannot be considered other than injurious.

Every farm owned by somebody for investment and speculation means a farm not owned by the farmer who tills it. It means a drain of income from the community. This is economic erosion, and economic erosion is worse than erosion of the soil.

Actual farmers develop co-operatives for the marketing of farm products and the procurement of farm and household supplies. These co-operatives yield good savings, which increase farm returns. Instead of these increased returns all going to the actual farmers who develop the co-operatives, some of them go to non-farmer landowners. Land should be owned by the users. There is nothing to rejoice about in having land become the basis of investment and speculation.

—From *The Nebraska Co-Operator*

Send for Your Free Copy

More than a dozen extension reports are included in the 1951 Annual Report of the Henry George School of Social Science now available from headquarters, 50 East 69th Street, New York 21, N. Y.

Los Angeles

John C. Holland, a city councilman, and Joseph C. Whitman, a builder, took opposing sides on the local issue, "Public Housing and Slum Clearance," in a symposium at the February meeting of the Los Angeles S.A.G.E.

This extension opened its second annual "Funds for Freedom" campaign with a meeting on February 15 and closed it formally on March 3 at the Swedenborgian Church. During the period intervening, volunteer committees called on graduates and school friends in the nine major regions comprising the greater Los Angeles area. Each canvasser called on five prospects, and approximately \$1,800 in pledges has been reported. That, added to the previously pledged figure, \$2,100, made an approximate total in local pledges and contributions of \$3,900.

Lawrence T. Mariner served as the campaign's general chairman. The regional chairmen were: Samuel D. Aldrich, Dr. Irene Giles, Donald Hawks, Mrs. Ethel R. Joiner, Mrs. Esther W. Johnson, Walter W. Lindsey, James H. Milne, Mrs. Bessie Mitchell, Edgar C. Weinsheimer and Thomas H. Winsborrow. At the report meeting Mrs. Esther W. Johnson of Pasadena, whose committee turned in the most pledges, was elected general chairman of the 1953 campaign.

A new idea in class promotion was suggested by Lawrence Mariner, i.e., to schedule regional conferences shortly after the fund campaign and invite prospects to become active in the school's work by attending the meeting nearest their homes. Three such conferences were held in March.

Los Angeles is glad to welcome two new class leaders to its faculty: Mrs. Rose Palmieri of Boston and Mrs. Bessie Mitchell. A former faculty member, Samuel D. Aldrich, has returned after a period of inactivity.

St. Louis

The graduation program on March 25 at the YM-YWHA consisted of a symposium of ten-minute talks linking the philosophy of Henry George with industry, with religion, the science of economics, labor, and politics. These short discussions were given by Joseph W. Widmer, C. C. Case, Noah D. Alper, George Clark and William C. Howard respectively. Caroline Nations was chairman. Members of the graduating class also spoke briefly.

Noah D. Alper, director, was chairman at an economists-day program staged by the St. Louis Dunkers, a serious minded but jocular group. Two economists from Washington University were present, three from St. Louis University, and one from Stowe Teachers College. "A galaxy of labor leaders, sociologists and philosophers" were also said to be on hand. The general topic "What Good Is Economics" afforded a stimulating discussion.

A speakers group consisting of Bert Mann, Jr., Joseph W. Widmer, George Clark, C. C. Case, William C. Howard and others, met recently in the office of the St. Louis Secretarial School for the purpose of planning the type of speech which seems best suited to the local public relations program.

The spring term will include eight basic

classes, probably two advanced classes and one in teachers training.

The Public Revenue Education Council recently held its first annual (birthday) meeting. Its purpose is to assist in publicizing the principles of taxation formulated by Henry George. A recently published pamphlet, *The Truth About Taxes*, made clear the further purpose of the council which includes the dissemination of "information regarding the collection and expenditure of public revenues, means for eliminating artificial obstructions to the production of wealth and services, and to their distribution."

Chicago

Chicago executives heard a wide open discussion of "What Kind of Chicago Do You Want?" at the monthly Commerce and Industry luncheon on March 6. Participating in the symposium were: Frederick T. Aschman, executive director, Chicago Plan Commission; Newton C. Farr, Farr and Company, past president, National Association of Real Estate Boards; Carl J. Sharp, president, Acme Steel Company; Mrs. John Harris Ward, chairman, Know Your Chicago Series, Woman's College Board; and, as moderator, Charles B. Tuttle of Charles B. Tuttle and Associates.

Dr. Ernest B. Zeisler spoke on "Concerning Human Liberty" in the sixth of the Freedom Lecture Series, meeting the third Tuesday of each month in Kimball Hall. The speaker on April 17 will be Lawrence W. Rathbun, New Hampshire legislator, on "Conservation and Public Policy."

Speaking before the Henry George Woman's Club on March 12, John Nuvreen, president of John Nuvreen and Company, held out a successful foreign policy on the political front as the only real hope for curbing federal expenditures. Edward W. Jochim, general manager of Personal Products Corporation, and leader in the Commerce and Industry Division of the school, spoke on the problems of management communication at a recent luncheon of the Illinois Institute of Technology.

Henry P. T. Tideman has accepted his unanimous election to the board of trustees of the Chicago extension.

Louis George Francis La Fortune, born at 12:30 a. m. March 2, is the school's youngest graduate. He was awarded his honorary certificate before leaving the hospital.

The sympathy of his many friends in Chicago goes out to Dr. Harry Gunnison Brown in the passing of Mrs. Brown, who attended his lectures in Chicago and vicinity until her fatal illness.

Fleda Brown — (Mrs. H. G.)

"They also serve who only sit and wait—for many years Fleda Brown might have seemed to be doing little more. Now she is gone and suddenly in the enormity of the absence is revealed the quality of her waiting. We remember her personality, more particularly her presence, at class lectures in New York by her husband, Harry Gunnison Brown. Oh yes, she had heard them before, but her husband wanted her to come so of course she came, willingly and cheerfully, and waited."

What a lesson in quiet strength we could learn from this gentle soul. The first shock when we heard of her death late in February, was of incredulity and sorrow. But on second thought we rejoice with the Browns—they are divinely blessed for they will always be protected by the memory of a great love.

Conference in Canada

The Eighth Annual Conference of the Henry George School of Social Science will be held in Montreal July 10 to 13, Thursday to Sunday, at the Queens Hotel. Arthur Koebek, Canadian Senator, has been invited to address the conference banquet. Stretzel Walton, Montreal's director, will invite reservations as soon as more information is available. Representatives from all branches of the school throughout Canada and the United States will take part in this important conference. However, no one is excluded—all Georgists are welcome—further details will be given in subsequent issues of *The Henry George News*.

New Jersey

The seminar and workshop meetings take place on the first and third Friday of every month, offering a thorough review of the economic principles combined with an opportunity to evolve improved presentations. On March 7 Dr. Geoffrey W. Esty of Princeton, New Jersey, discussed general semantics and the scientific method. On March 21 A. M. Goldfinger, the dean, discoursed on "Concepts." All faculty members are cordially invited and urged to participate in this experimental review.

S. Davis Page representing the Public Relations Department of the New Jersey Bell Telephone Company, was the speaker at the March Random Lecture in Rusby Auditorium. The program included an interesting demonstration of TV program production.

Wednesday, April 9 is the social date for graduates and class leaders. Mrs. Virginia Harvey and Mrs. Judith Kushner will be hostesses at Newark headquarters at 7:30 p. m. when certificates will be distributed and a general get acquainted and evaluation session will be followed by refreshments.

The ever widening New Jersey extension program requires an alert corps of teachers, and three faculty members are indeed welcome. They include Mrs. Viola Schar of Arlington, Benjamin H. Gwathney of East Orange, and John J. Madill of Short Hills. Spring classes begin the week of April 14 in Newark, Hackensack, Orange and Maplewood.

New York

Approximately 300 students completed the basic course at headquarters and regional classes in the winter term, while 150 completed advanced courses. In the spring term there will be eight regional basic courses and one advanced course. At headquarters an interesting variety of advanced classes are in progress in addition to eighteen fundamental courses.

Five new members have joined the teaching fraternity, having passed under the exacting tutelage of George Royal, the dean. They are Marietta Jones; Helen Natus, a headquarters staff member; Arthur Dunn; Henry Pena and Irving Smith.

Susan S. Donahue, new executive secretary at headquarters, a free lance magazine writer, reviewed a book for the *News* after hours (page four).

Bella Fromm, a journalist, will speak at the school auditorium on April 4 at 8 p. m., and Robert Tesdell, president, Students Exchange League, will speak on April 18. Provocative film programs have been planned for April 11 and 25.

Bisenhower's vote for Henry George on the 1950 Hall of Fame ballot, as mentioned in the book *Man From Abilene*, excerpts of which have been published in *The New York Herald Tribune*, provided a headline for the spring term class advertisement in New York. Grateful thanks are extended to the volunteers who helped send out the spring announcements.

Letters

To the Editor:

In the February Henry George News Dr. Ludwig von Mises advanced the following argument against the collection of economic rent by the government:

"If the government confiscates the whole rent of land, it does not make any difference for the individual farmer whether the soil he tills is more or less fertile. The same input of capital and labor yields to him an any piece of land the same output. The whole advantage derived from the higher fertility of a piece of land as against another piece goes to the government."

As is well known, the rent of a particular piece of land represents a differential between what a certain input of capital and labor will produce on it as compared with what the same input of capital and labor will produce on the margin of cultivation.

But this input is usually assumed to be a so-called average amount of capital and labor. Actually, of course, there is no average. Resort is taken to this term merely as a convenient device to illustrate the Ricardian Law of Rent, and Henry George's Law of Wages. In practice the rent of land is determined in the market.

Individuals vary as to capabilities. The tendency will be for those with the greatest capabilities to gravitate to the best lands, as they will be the individuals who can offer the highest rent, thus they will become the successful bidders. Yet this rent will result in greater wages to them than if they stayed on poorer lands.

—O. B. JOHANSEN

Roselle Park, New Jersey

To the Editor:

Dr. von Mises is not quoted as having discussed certain urban land sites worth millions of dollars an acre, to which the following quotations refer:

"A tax upon ground rents . . . would fall altogether upon the owner of the ground rent . . . Though a part of this revenue should be taken from him in order to defray the expenses of the state, no discouragement will thereby be given to any sort of industry."—ADAM SMITH.

"The increase in the value of land, arising as it does from the efforts of an entire community, should belong to the community and not to the individual who might hold title."—JOHN STUART MILL.

"You who shall liberate the land, will do more for your country than we have done in the liberation of its commerce."—RICHARD CORDEN

Perhaps Dr. von Mises will offer his viewpoint on urban land rent, for quotation in a future issue of The Henry George News.

—RAY W. LYND

Altadena, California

To the Editor:

It seems absurd to say that if the government collected ground rent it would have to transport agricultural laborers as it does the army. Professor von Mises assumed that the only reason why land of high fertility was used at present was that the people who worked the land received the ground rent. From this assumption he drew the conclusion mentioned in The Henry George News. The facts are that the present tenant farmer receives no part of the ground rent and still the most fertile land is used.

—JOHN C. LINCOLN

Phoenix, Arizona

To the Editor:

Professor von Mises certainly has a very vivid imagination when he visualizes the government having to transport farmers from less fertile to more fertile lands because their labor would yield them the same in dollars and cents on the less fertile lands under single tax. However, we do find this condition under the present land tenure system some even having been sent to Alaska. Rather, the tendency would be for them to build up their less fertile lands by artificial fertilization which benefits would accrue to them. This would not be difficult for them to do under free conditions, and would not result in antagonism between the concerns of the farmer and those of all other people; but would bring beneficial results to all.

Also when we consider a proposition we have to consider what the alternative to it is; and the alternative to the failure to collect the whole economic rent is that farmers, laborers and all producers would have to give up that portion not collected to some individual for nothing, as the rent is always collected; if not by the government, then by some individual. He thus has the power to levy his own individual tax for his personal use and live off of other people's labor. This is a condition of servitude, and there is no substitute for justice.

—FOXHALL A. PARKER

Weimar, Texas

To the Editor:

Professor von Mises fails to differentiate between land rent socialized and the socialization of agriculture, which is a mode of labor. The community, in determining the basis for contributions to the public fund must choose between the advantage of the individual's exclusive use of the public domain, and the extent of his economic contribution to the public weal; either it appropriates rent of land or it confiscates wages and interest.

In a single-tax and otherwise free economy the individual enjoys his own wages and interest plus his share of the community product just as co-workers who are also shareholders in an industrial enterprise receive wages for individual effort and dividends from the profit of the combined effort of all.

Nor is inducement to move limited to the foregoing, for the very act of bringing richer land into use will raise the level of wages, after payment of the whole rent, by raising the margin of production. Socialized rent of land is far from synonymous with socialized agriculture.

I am indebted to the professor for the stimulus to deeper thought on the subject.

—C. C. CASE

St. Louis, Missouri

To the Editor:

Professor von Mises says the confiscation of rural rent would not induce farmers to use better land. I beg to differ with the noted writer. Under our present system, the rural rent is not collected by the government, and the selling price of the more fertile land often increases to such an extent that it prevents many farmers from moving to the more fertile land, as the value of the land is the site ground rent capitalized. The government collection of the ground or site rent would give more opportunities for employment since it would prevent land monopoly and consequent high prices for the more fertile land.

—JOHN T. GIDDINGS

East Providence, R. I.

Graded Tax Plan Makes Headway

A NUMBER of Pennsylvania cities are now actively interested in the possible benefits they may derive under the new Act No. 299, approved by Governor John S. Fine on August 17, 1951. Several of the most important cities are now qualified by the separate assessment of land and improvements to adopt differential tax rates at any time their councils may so decide.

In the forefront at this time are the cities of Clairton and Easton, the former in the Pittsburgh area and the latter in northeastern Pennsylvania. In Clairton, Mayor John J. Mullen, who is also the newly-elected president of the League of Cities of the Third Class, is definitely committed to the early adoption of the Graded Tax Plan for his city and is advocating a substantially lower tax rate on improvements for the year 1952, official action having to await the completion of a revised assessment to conform more closely with actual values and to show separate totals for land and buildings.

Several of the larger and more important cities have already adopted the separate assessment of land and buildings and have reported separate totals. These include Erie, Harrisburg, Allentown, Altoona, Wilkes-Barre, York, Williamsport and Easton.

The campaign in Easton, where a new city administration has just taken office, is being led by George F. Hellick, prominent business man and scientific farmer, with the cooperation of Lafayette College. Harold S. Buttenheim, editor of The American City, addressed a recent meeting of civic leaders at Lafayette College and found a keen interest in the new tax legislation. Secretary Percy R. Williams of the Henry George Foundation spoke at another citizens' meeting at the college early in March.

The initial victory in Pennsylvania has created a widespread interest in the idea of utilizing home rule to shift local taxes from improvements to land values.

The unanimous endorsement of the Maryland Municipal League at its recent convention where Mr. Buttenheim spoke, is a definite indication of the growing popularity of this plan. Enlightening and friendly newspaper editorials appearing recently in the Bridgeport (Conn.) Post and the Sacramento (Calif.) Union both stress especially the value of improvement exemption as an incentive to new industries, and refer to the almost unanimous vote by which the Pennsylvania Legislature adopted the McGinnis enabling act at the recent session.

In the State of Massachusetts, Joseph L. Richard of Brookline, James B. Ellery of Gloucester, and R. H. Zwicker of Arlington are among the most active workers in behalf of tax legislation along Georgist lines. Mr. Richards has drafted several bills for introduction in the legislature and is distributing printed copies, including one that is identical with Pennsylvania Act No. 299, and another intended to amend the state constitution so as to remove any doubt of the constitutionality of the plan.

