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MOVING
INTO THE
FRONT RANKS
OF
SOCIAL CHANGE

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Complete Proceedings
of the
Labor Day '73 Conference

HENRY GEORGE SCHOOLS
&
THE SCHOOL OF LIVING

MOVING
INTO THE
FRONT RANKS
OF
SOCIAL CHANGE

MILDRED LOOMIS
Conference Chairman

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OPENING STATEMENT

Mildred Loomis
Conference Chairman

For additional copies of this book send \$2 per copy requested to Mildred Loomis, School of Living Bookshop, Heathcote Center, R.D. 1, Freeland, Maryland 21053. For orders of five or more send only \$1.75 per copy requested.

Greetings and welcome. We are gathered primarily as members and friends of the Henry George Schools and members and friends of The School of Living. We share at least three aspects. Both Schools have had a long history, both have developed comprehensive and penetrating "solutions" to the modern economic and political crisis, and both are unsatisfied at the relatively small public acceptance given our ideas and our methods. We believe that our solutions warrant a larger place in public policy. We want to develop here ways and means to move into the front ranks of social reformers. We have the most of three days to think and plan together. We are a small group, forty-five participating, but we have here most of the members of The School of Living official board of trustees: Tim Ryan, Evan Lefever, Bob Allen, Art Rybeck, Grace Lefever and, of course, H. R. Lefever. Marga Waldek and W. B. Anacker, both of Heathcote Hollow are here. Of the Schools staff we have our new Directors, Willis and Lucile Hunting, and myself, Director of Education. A number of Heathcote student residents are here: Paul Griffen, Kevin Costigan, Anna Mullen, Bob Rothberg, Kathy Hogue and others. Many of our officers and staff count themselves among the Georgists.

Representing Georgists are John Weaver of the Pittsburg George School and the long-standing Graded Tax League of that city; Dr. Steven Cord, professor of History at Penn State University, Indiana, Pennsylvania, sends us a message on taped cassette. From Philadelphia come George Collins, Director of the George School there whose headquarters at 413 S 10th, is in the original home of the Henry George family. With him is veteran Georgist Julian Hickock, aged 85 and looking 50, who has been a Georgist since 1913, for sixty years! We are delighted to have them and the Philadelphia School's secretary, Lucia Cipollone. And from Arden Delaware, an early land value tax enclave are Mike Curtis and Penny Colgan. From Washington, DC we welcome Jim Taylor and Beth Furbush, employed at our friend Ollie Popenoe's natural food restaurant Yes. Also Walter Rybeck, friend from our Ohio days and head of Urban Institute, a private agency for land planning in Washington DC. Also Carl Shaw, Georgist and former assessor in West Virginia, now with the US Army band in Fort Meade. A late comer to our sessions was Clayton Loughran, a Quaker and worker in the peace movement, from Baltimore. All of you and any others not named here are welcome, and I hope ready to join in planning our move into a position of more responsibility and impact, a position to match the opportunity and carry the action which we agree is so important.

To set the stage for our deliberations, to give it the tone of urgency that many see in the present social conditions, I'd like to read a short paper from our Georgist friend, Mitchell Lurio, a life-long banker and businessman in Boston and for many years the head and guide of the Henry George School in that city.

ROME IS BURNING

Mitchell Lurio
former Director of the Henry George
School of Boston

Rome is burning!

What is taking place, unseen by many people living today, will appear on a later historical graph as the hastening collapse of an era. I believe the descent we are in could be halted and reversed. But will it be. I'm afraid not. Why? Because there is no outcry from leaders of thought, from leaders in business or of labor, or from leaders in government. No outcry from those on the right or the left or inbetween, against what has long been apparent to Georgist economists, and is becoming increasingly clear to others.

Germany had a serious collapse in 1923. The U.S. had a serious depression in 1932 - the worst to date. But were the lessons learned? Is it not amazing that the Germans, after less than two generations, are heedless that the world is now entering a time when all savings, all insurance policies, all pensions and all bonds and notes and mortgages, and most common stocks will become worthless, reducing respectable people to helpless beggars? Can it be that they, of

all people, are not aware of the anguish and chaos that will accompany a clearly evident collapse in the future?

Here in the U.S. the figures show greater distortion than in 1923 or 1932. Figures on interest rates, on the growth of the money supply, and on land speculation are now farther out of line than in the 20's or 30's. The day of reckoning may be Orwell's 1984, or 1994 or the year 2000. Economic repercussions will be so great as to possibly bring nuclear warfare and the demise of our current civilization - the world will drop to the low points of the cycles of China's dynasties - a period akin to the Dark Ages.

Today's "accepted" economics (Keynesian or Friedmanite) are reconciled to a 3, 4 or 5% annual rise in the price level. They do not call our attention to the overwhelming forces that have been created in favor of more inflation. Everyone fears the consequences of any halt in the money supply. Leaders in government and in business all have borrowed and acquired in anticipation of inflation, and would be hurt (temporarily) by its halt.

General thinking now is that wages can rise as prices rise, that social security payments can likewise keep abreast of increasing price levels. No attention is paid to the steady reduction (or theft) of the assets of the decent, innocent earners who have put their earnings into savings - and thereby provided the economy with the capital goods needed for healthy growth. What will happen to them with the wiping out of all dollar claims? They will be reduced to helpless beggars or wards of the state. That is the climate in which demagogues rise and thrive.

Who is to blame for this alarming state of affairs? Should we blame leaders whose stockholders make them think only of the present? Should we blame politicians who think only of votes from an uninformed electorate? Possibly, but more than that I blame our educators who have not educated themselves, nor their students, to serious remedies. All they can do is waste time on conflicting minor, and often fallacious, remedies.

They call for "compassion," civil liberties, public

housing, a guaranteed annual wage! What good are they when the base that supports us all - the land, is allowed to inflate and undermine our very foundations? Current trends make it increasingly difficult to believe in the social intelligence of mankind. What good are radio and TV channels, the plane, the computer, when hoards of men and women find themselves rioting and killing for survival?

We are told that in a democracy, the electorate can have anything it wants. I believe that if enough of us could be persuaded to demand two things, this world could really make uninterrupted progress:

the first is to restore to men and women their common birthright; that is, for the community to collect the annual rental value of natural resources, which includes the valuable land in cities;

the second is to eliminate inflation by preventing the Federal Reserve from counterfeiting the money supply by buying government bonds. We must have stable backing of the dollar.

But this second by itself is not sufficient; we must have an end to the private, speculative monopoly in land, if inflation is to be eliminated. Both together can forestall economic collapse. Without them both, I fear Rome will burn to the ground.

THE MAJOR THESIS OF HENRY GEORGE

Robert E. Allen

Trustee of the School of Living and former
Director of the Henry George School of
Washington, D. C.

Friends, old and new, before I get to the heart of what I would like for you to consider in your deliberations this weekend, I want to ask for a standing ovation and tribute to Mildred Loomis.

If there was ever a more persuasive, dedicated, hard working exponent of the philosophy of Ralph Borsodi and Henry George, I have never met the individual. Challenging her with the impossible only whets her appetite! Tell her you just don't have the time to participate and all that you ever believed flashes before your eyes. You know that, like it or not, win or lose, we are our brother's keeper. We must pick up the task and carry the fight to the enemies in and outside the greatest democratic republic the world has ever known.

This then is not only my welcome to you to the New Heathcote Training Center; it is my opportunity to challenge you with a new consideration. Namely, The New Wave of Anarchism and Nihilistic Religion that seems to be grasping the minds of the young throughout the world. Have you thought of these activities in

this way? Until recently, I thought the philosophy of Bakunin (a terrorist, Communist anarchist of the Russian Revolution) to be dead. I thought these new religions of many of today's bright young minds, to be the conscious effort of young people to attune themselves with the Cosmic Mind and bring into being a world free from ecological pollution and political corruption.

Why should I have thought otherwise? I am almost in daily contact with young people at the University of Maryland; my son attends another Maryland college; and only recently did I get the first clue. One of the Apostles of this new movement of activists dropped the word anarchy and the names of Kropotkin and Bakunin as if I, a believer in decentralized government, were a candidate for conversion.

Had he dropped the name Proudon (an individualist French anarchist holding to peaceful and voluntary government associations), I would have, perhaps, been more receptive. After all, Proudon was an individualist, not a communist-anarchist. He strove to refine rather than to destroy the idea of property. He believed in self-governing communities. Property in land to him was an institutional concept predicated on robbery. And too often, far too often, property in land works precisely in that way. Those who are politically corrupt aid and abet robbery of the people by promoting schemes beneficial to speculators in land values.

Now how does this tie in with religion; you may ask? Think about it. I find many young activists today to be very heavy on transcendental meditation, metaphysics and the occult. These same individuals are also extremely knowledgeable in matters of ecology, economics and social structure. But more than that - they are universally pessimistic. I find some of them so completely pessimistic as to be nihilists. And I now believe this to be organized by a new breed of communist - one who promotes foreign and weird religions and ideologies as a means of narcotizing free peoples. Let us not forget, after all, that it was Marx who said religion is the opium of the people. Let us

not forget that there are no bounds to their mode of action. These new forms of religion close the mind of many a brilliant young person, they close the mind to the need for political and economic reform, they prepare men not for that which you and I know men are capable of producing but for that Armageddon promised those who fail their stewardship and charge for the preserving of the earth; for opening opportunity to our fellow man.

Hoping to have alerted you to this new danger, I welcome you to the task of finding the means of reaching these bright young people with the messages of Borsodi and George for an abundant life, abundant in spirit and physical health, abundant in political health, abundant in economic health.

DISCUSSION:

Question - What is so "bad" about a foreign ideology, and what so special about American ideology? Aren't we living in one world?

Allen: Sure we are in "one world" and I think we should be searching for universal ideas to fit all mankind. Some of those which our American forefathers emphasized - liberty and justice - are universal ideas. And it is because they are universally true, not just because they are American, that I want to espouse them and support them. By "foreign" ideas I mean the communist, collectivist, coercively-oriented practices.

Question - Do you think America is so far ahead in liberty and justice that we can set ourselves up as models?

Allen: I agree that what we have moved into today is not the best fulfillment of liberty and justice. But I still think it is in advance of what Russia and other countries that have taken the collectivist route have achieved. I agree that conditions here in the US are

far from ideal; that we have gotten off the track so to speak. It is because I think Henry George's proposals would help get us back on the track of fuller liberty and justice that I agree with and work for them.

Question - Aren't you a bit hard on the young people calling them pessimistic and nihilistic? The ones I know are mostly pacifist and gentle people. Some of them are into religion, but it's mostly meditation and an effort at higher consciousness.

Allen: Yes, I know some of them too. That's what I thought most young people were like, until my experience has brought me into the most pessimistic sector. We read plenty in the papers about the violent group - riots and attack of one kind or another. But the group I see increasing are really negative; escapists it seems to me. Utterly hopeless, or that's what I get from their talk. They are really planning to sit it out, waiting for Armageddon.

Loomis - I suppose we'd all like the young people to be intelligent, energetic and zealously active in the causes we believe in. Isn't that the challenge we face, to help bring them to that level? How can we do it? Young people gather by the thousands these days largely for music, such as Woodstock. Maybe such gatherings are an opportunity for us.

During last summer's Heathcote music festival some eight hundred people came. I asked our Bob Mernick, master of ceremonies, for five minutes at the microphone. I commended the energy represented in all these young people. Approved their enjoyment of the country, asked how many wanted a piece of land of their own. Many did. How will you get it? I asked. Around here you will be asked \$5000 for one acre. If you buy a 100-acre farm the price drops to \$1600 or \$1400 an acre! Why should we have to pay for land, something that no one created? Why take from your earnings to put \$5000 into a pocket of a man who got there first and evidently isn't using it? Can you use

some of your energy to figure out ways to organize access to land that would be easier and more fair? This appealed to these young people. They applauded and some came up afterward and said that five minutes was the best part of the weekend!

Grace Lefever - Maybe such groups are an opportunity for us to really teach our ideas and plan some action. I've often thought, too, that something a little more should come out of big youth gatherings than just music and recreation.

Loomis - Two generations ago I was a young college graduate with a degree in economics, with little if any knowledge of the subject, when I discovered PROGRESS AND POVERTY. It changed my whole way of thinking. I would surely like to have the new agers know and respond to the wisdom in that book. Could we now, for the benefit of any in the group here, who may not be familiar with it, and to remind us all of its contents, ask Bob Allen to briefly summarize the main points in Henry George's analysis of economics?

Allen: As most of you know, Henry George was born in Philadelphia about 1840, a bright lad in a middle class family. The family home still stands at 413 South Tenth Street, the upper floors preserved as it was lived in; the lower floors being the office and library where George Collins and his assistants operate the Philadelphia Henry George School. Henry George noted the well-to-do family houses on his street; and the terrible ghetto a few blocks away. He wondered why. He spent much of his time at the wharf, watching ships come and go. He like some present-day youth, was less interested in school than what went on outside. At fourteen he engaged himself to a ship owner as a cabin-boy, and sailed out to other ports. Wherever they docked, whether the Mediterranean, Arabia, India, the South Seas, he noted the same conditions - always evidence of great riches

alongside abject poverty. In India the contrast was dramatic - beautiful palaces of Maharajis, including Taj Mahal, but beggars in rags groveling in the streets. The adolescent Henry George came back to America imbued with the idea of finding out why such conditions should exist. Surely this wouldn't be true in the new Western lands of the US. He decided to find out. He went West, to San Francisco. He married and became a newspaper reporter.

What did he learn about riches and poverty? Here too, in this new country, he found beautiful homes and fine office buildings. He not only saw but experienced poverty. It is said that when his first child was born he had no funds to buy food; he went out on the streets and asked a by-passer for help. He was given a bill and some coins. He later wrote that he was so desperate at that time that he was prepared to fight and steal had the man not responded to his plea!

His writing brought him advancement and he became editor of The Sacramento Bee. Always he pondered the riddle, Why poverty amidst plenty? One day walking at the outskirts of San Francisco, he encountered a man on horseback inspecting the lots and streets there. Henry George asked the man what might be the price of an acre there. One thousand dollars, replied the man.

A thousand dollars, gasped Henry George. For a bare, sandy piece of earth?

Knowing how long he had to work to save this amount; knowing how few people in the city would have any such amount to spare, and knowing that any owner of this bare land had done nothing to produce it, Henry George asked himself, What has the landholder done to earn this thousand dollars?

Like a flash, an answer came glimmering into his mind, to his basic question, Why does poverty exist amidst great wealth?

Here is the root of the mal-distribution, he said to himself. In paying from a worker's earnings for a place on which to live and from which to produce,

here is where the injustice starts.

Now he set himself to follow this root to its depth, and to analyze the results of its growing. He would follow the roots to its branch and fruit. He would find ways that this fruit could be good and wholesome. He would write his book on "progress and poverty."

He worked diligently. He was dedicated to the task and inspired by the way out which he saw. By 1879 his book was published. He left his editing to travel to the East to speak and campaign for the cause of the public-use of the value in land. As we've heard, he ran twice for the mayoralty of New York City, traveled abroad, was widely acclaimed and while the New Deal of the 1930's and government-Keynesian economics have eclipsed the light Henry George brought, many people today, including present company, are working to bring it back and get his ideas practiced.

What then are the main points of Henry George's teaching? I will list them quickly. Anyone can read a ten-page condensation of PROGRESS AND POVERTY by Dr. Busey of the University of Colorado; or they can study a two hundred page condensation which the George School and School of Living sell for two dollars. And sometime, everyone can treat themselves to the full text of George's book, get the benefit of his style and logic. PROGRESS AND POVERTY has been used as a text in logic at John Hopkins University; so carefully is his developing of points from premises to natural conclusions. PROGRESS AND POVERTY has also been on classic book-club lists, as tribute to its literary style.

The facts are that certain propositions and definitions have been hidden from the people which, if revealed and applied, could profoundly influence the future of society. Here are nine of them:

I) There are only two essential factors for existence and survival:

- 1 - Land; all non-man-made objects - land, water, forest, minerals.
- 2 - Labor; all human energy - mental and physical.

II) What people produce by laboring on land has two names:

- 1 - wealth; all objects which have labor in them.
- 2 - capital; that part of wealth (tools, hoes, shovels, trucks, factories) used to help produce more wealth.

III) Since three factors, in modern society - land, labor, capital - are used to produce goods, they each are due a return of that produce:

- The portion to land is rent;
- The portion to labor is wages;
- The portion to capital is interest (not bank interest)

IV) Land produces in different ratios - some plots much, some less, some nothing. The least productive land is called marginal.

Who shall use the good plots, the medium, the poor?

Should users of the best and good plots share with others their privilege in using the best?

V) The value of land goes up as people and industry collect around it and need it, i.e., value of land is largely produced by activity other than that of the user.

VI) The community produced value of land should not be held privately either by the user or by an absentee holder.

VII) The community produced value in land should go to the community to cover costs of community needs; roads, schools, libraries, etc.

VII) Wealth and capital produced by people are their own - no one can rightfully, not even the government - take it from them.

IX) Let land-value be the source of public revenue.

APPRAISING, ASSESSING AND TAXING

Carl Shaw
former District Tax Assessor in
West Virginia

Some years ago I lived in Orange County, New York, adjoining Rockland County, where Ralph Borsodi founded the School of Living more than thirty-five years ago. I'm glad to discover that Borsodi and the School of Living have long been concerned about rural-urban problems and the economic effects of assessing and taxing property. This is my first visit to Heathcote School of Living. As a former state assessor I hope I can throw a little light on how taxing affects farmers and city dwellers and how it affects decentralization - including the movement of farmers to cities and of city people back to the land.

There are fifty five counties in West Virginia. All began in 1964 to hire mass appraisal commercial firms to appraise taxable property there - buildings, land, businesses, individual and commercial. West Virginia has no local appraisal firms, and all of them are from out of the state, largely from Dayton, Ohio. 1964 is the base year as far as land prices go. For building values, the state puts out a manual - upgraded

every three or four years - for all county and state assessors to use.

Each of the fifty-five counties has a public elected assessor who in turn hires his staff of clerks and deputy assessors. I was one of these assessors, assigned to supervise and assist four counties in eastern West Virginia. I would spend three or four weeks at a time in each county, helping assessors arrive at current building values, not the land. The state appraiser's job is to help set values on new construction.

Land values some years ago were appraised on an acreage basis. But with more and more development, it is appraised on front-foot values. Front-foot values (set by m. a. firms) were not to be changed. In other words, I would look at the map and see an area was appraised at \$40 a front-foot. If I knew it was worth twice that, I was not permitted to change it. To do so would require changing everything in the whole district or whole county. One person was not allowed to do that. I can tell you that by now, land values are out of sight - especially in the cities. Land values in West Virginia have gone up faster than any other state. People in other parts of the country know that land is available there and are flocking in. Of course, land prices increase with the growing demands. But we were not allowed to change the land values set by mass appraisal firms.

The assessors' salaries are fixed and paid by the commissioners of the county courts. If it is a large county, like Kanawa County, with a large population, the assessor makes a pretty good salary. In the smaller counties, they don't make much. During the past four years (1969-73) new state laws have required them to do additional tasks; extra salary for that is paid by the State Tax Department. The State Tax Department also holds classes for both state and county assessors to instruct them in their new duties.

There is so much new building going on in West Virginia, that the state appraiser cannot possibly get out to put values on all of it. So the county assessor may arbitrarily place values on buildings,

based on estimated costs, in the absence of a state appraiser, in order to get new property on the tax rolls. Suppose it's a small store; the owner goes to the assessors's office in order to get a building permit which costs a dollar or two. He tells the assessor what he thinks it will cost. If the assessor gets time he will go out to appraise the building; if he doesn't get time, he will take the figure the owner estimated.

In Kanawa County, where Charleston, the state capital is, Lee Kenna tried to re-value and raise the value of coal mines in his county. But the mine owners appealed to the courts against his values and won. With rural values going up, assessed values of land are falling seriously behind building values. The State Tax Commission is in the beginning stages of a land-revaluation of the entire eastern half of the state in the next three or four years. There's great pressure from land owners to keep this revaluation from happening and I don't know what the outcome will be. But State officials feel they can do a better job than outside mass appraisal firms. A Washington, D.C. Property Tax Newsletter, a Ralph Nader off-shot, used to carry a good deal of criticism of mass appraisal firms. They are commercial, independent businesses and sometimes try to cut corners and come up with mistaken figures.

So much for a background of the function and operation of appraisers and assessors. Now for a little data on farm land values. Farm land values used to reflect productivity - the kind of soil, terrain, etc. But in recent years it has had to reflect market values related to residential, commercial and industrial expansion, interstate and ordinary highways. All these things effect land values; all this activity is reflected in land prices. In response to the industrial trend, city dwellers move out further away from their daily jobs, seeking living space with more peace and quiet. So farm land is no longer valued just for its food production. If it is within forty or fifty miles of a city with some industry, it is influenced by possibilities of residential and commercial use. Generally speaking,

mass appraisal firms do try to take into consideration what the market value is, not just food production value, at the time of their evaluation. But this changes rapidly.

West Virginia counties are divided into taxing districts. Kanawa County has a specific number. The tax rate is the dollar in taxes per \$100 assessed valuation. County courts fix these tax rates in the light of the financial needs of the district for the next fiscal year. Tax rates will vary within a county. In one district there are two high schools; in another there is none, so the tax rates differ considerably in them.

Do taxing policies help drive bona-fide farmers off the land? I don't have enough facts to make a value judgement as to whether taxing the market value of land has done this. It is my experience that too slow land revaluation has encouraged high sale prices of land. Big city buyers eagerly buy up rural land as an escape haven from city life. As expensive as the rural land seems to the life long farm resident, it is cheap to the city dwellers. Five hundred dollars an acre for Berkeley County land is cheap to the Washington, D.C. or Baltimore middle-class resident. To a West Virginia farmer, born and raised on that land when it sold for eight dollars to fifteen dollars an acre, it is high!

Rural farmers, some of them near cities, are able to sell five acre sites for what a generation ago would buy a large farm. So it doesn't seem that farmers are being taxed out of farming. It is more likely that the failure of cities to tax land rent there, rather than building values, has encouraged city folks to seek rural residential sites. A city man leaves the city because his home and improvement taxes are heavy. He looks with favor on cheap land in the country.

The tax on one hundred dollars worth of assessed value in most of West Virginia is between one and two dollars. Assessments are usually 55% of the appraised value, and appraised values are low - 50% to 60% of current market value.

It looks like this:

Market value	\$10,000
Appraised value	6,000
Assessed 55%	3,300
Tax rate 2%	66
Percentage of market value -	.0066

This probably would not cause farmers in outlying land to abandon their occupation. The average rural farmer is taxed a dollar value per acre which isn't noticeable in pressuring the owner to sell. If this tax were to go to twenty five dollars or above per acre, it would begin to have this effect.

In general, assessors do not know the effect of a tax on land values. They have never heard of it. They don't in general, think in terms of separating land and building values. They have been brought up like most of us hearing about taxing real estate and to most of us, taxing real estate is taxing land and buildings as a lump. Assessors don't know that taxing buildings has a penalizing effect on business; that taxing at a low rate, or no tax, on land encourages holding land for higher prices - in other words, speculation. Most assessors are afraid of stepping on the toes of local landowners. Talk to him about raising taxes on land values and he says, "I don't want to get into that, I'd have the whole county on my head." Too bad that people keep on believing in taxing policies that have unhealthy economic effects, and turning from one that is healthy.

DISCUSSION:

John Weaver - Can West Virginia appraisers recommend a change to assessors?

Shaw: Yes, but appraisers cut corners - they hire people to do the appraising who have little or no training for the job.

H. Lefever - We had this experience. Our building is twenty years old and has never been reappraised or depreciated. The assessor came out and never

went in the building, just asked how much it is worth; how much it cost to build it.

Question - Suppose a house is built but there is difficulty in getting water hooked up so it stands vacant, unsold. How will the assessor handle that?

Shaw: Property is either residential or commercial; and vacant property is listed as either one, on the assumption that it will be sold. And it is taxed, at some rate, even if no one is living in it.

Question - Are there places which tax land values more than improvements?

Shaw: You've probably heard of Southfield, Michigan, a new town outside Detroit. The mayor is a Georgist. He recommended and got people to tax only land-values there. It had enthusiastic support of the citizens. Families moved out, industry moved in; the town flourished. Some opposition from landowners developed and the mayor, Clarkson, I think, had to fight for his place. He was re-elected three times, served four terms in all. But then he lost and the opposition took over with a resulting slow-down in the progress and growth of the community.

Question - Isn't it a lot of work getting the tax figure when you separate out land from improvements?

Shaw: Ted Gwartney, a Georgist in California, has suggested the use of computers - computerized assessments, that compute taxes as the land value rises in response to changes in the community. This seems like a dream, but in the future, computers will be used in place of amateur assessors. All this will help and Georgists who see good economic results will welcome them, so as to down grade tax on improvements and raise them on land values.

Question-How are most of West Virginia's taxes raised?

Shaw: Almost all of it comes from taxes on gasoline or other sales, or income. The State levies most of the taxes.

Question - Have you talked with assessors in West Virginia about land-value taxation?

Shaw: Assessors are concerned with the county financial requirements. If the county needs a half million dollars to operate, the assessors have to come up with a half million dollar tax budget. They aren't interested and probably don't care what the source is. In as much as they are elected, assessors are afraid that landowners will put pressure on them if they raise taxes on land values.

Loomis - Doesn't this emphasize the need for public education on these matters? If all the voters really understood the ethics and economics of land-value taxation, they - the voters - could wield pressure; they could insist that assessors did the economically healthy kind of taxing.

Shaw: Sure, if enough people in a given district know the difference in the effects on the economy between taxing land values and taxing improvements, sales and incomes, then assessors would be protected and would go along with their demands. This is a long struggle. The mayor of Southfield didn't get the results overnight. He really had to scrap for it. But if there were enough public education and understanding of the real effects, people and politicians would go along with it.

Question - What if someone introduced a land-value tax in some county in West Virginia. What percentage of people would be opposed to it? Rural people would be fairly easily convinced wouldn't they?

Shaw: I think so. Anyone who is earning his living by working would be for it. Those who want to get an in-

come without working - by collecting rent from land - would tend to oppose it.

Bob Allen - My experience is that anyone who sponsors or promotes the land-value tax is inevitably misquoted. People say he is asking for taxing land. This scares the farmer. Instead we should make clear we are for taxing land value and high land values are in cities. Small lots under large buildings reflect the privilege of doing business there. This land value is what brings in most of the taxes under this system.

Shaw: People do respond to education. While I was an assessor in West Virginia, I sent out a constant barrage of duplicated and xeroxed materials with explanation and data on these principles. I wrote letters to the editor of the Charleston Gazette advocating the hiring of professionally trained people to do the appraising and assessing. I was called on the carpet for this, asked "Who are you from out of the state to come in here with hair-brained ideas wanting to change our system?"

I resigned last November and even before that my boss in the State Tax Department had on his own got in touch with the mayor of Southfield. My material had begun to take effect and I heard favorable comments on taxing improvements lower and taxing land values higher. Call for a complete revaluation of land in eastern West Virginia is one result and they are going to work with a computerized system in six or eight counties. This is a big job and will take a while. As Henry George said, "If teaching the Truth were easy, we would long ago have instituted the land-value tax." People have to know a lot of facts, make a lot of decisions - above all, they have to know economics.

Loomis - A Georgist in San Francisco, Mr. Nagy, the President of the Henry George School there, has said that that if city land values were properly taxed, it would so relieve the pressure on land near cities that it wouldn't be necessary to take another farm out of production for suburban homes for another 100 years.

STATE LEGISLATION AND THE GRADED LAND IMPROVEMENT TAX

John Weaver
Director of Public Forum

I'm glad to be part of this joint session of Georgists and School of Living members. Years ago, during the Depression, I think it was, when I was conducting public forums in Pittsburg, we had Ralph Borsodi on the platform. I have been interested in and a member of School of Living since. I'm glad to have this visit now and share with you in our common search for a proper and just form of taxation. Mildred is right. This more than any other activity, it seems to me, offers freedom to do all the good things we mutually hope for.

In the 1973 Summer issue of EQUAL RIGHT, Percy Williams put on the front page an article featuring a Pennsylvania Constitutional amendment called "Clean and Green," which would allow some tax exemption to farmers near cities; that is, to be taxed on value as a farm, instead of market value for residence or business. The actual enabling legislation has not passed. Carl Shaw and later discussion have brought out that this is a make-shift or compromise measure caused by not properly taxing land-site values in the cities. This is really a special favor to

farmers. They are burdened, of course, by a premature rise of their land values because urban people are prematurely moving out of cities into farm areas.

At this point the Clean and Green measure may be the best humanitarian compromise we can get. Our governor and others seem to be well aware of its dangers. One of the results will be pushing other land prices up by this kind of "artificial scarcity of land," and cause a resentment between farmers and non-farmers. But most politicians and big leaders were for it. However, a news article one county commissioner unearthed got lots of publicity. An attorney has a one hundred thirty five acre farm across from a big Pittsburg shopping center. He said his land values went up one thousand percent and he filed a special appeal not to have his taxes laid on this value. If he can't get this assessment lowered, he would have to sell his farm. If all the land in the city had been used up, this is what we Georgists think he ought to do. He's in it more for a hobby and this would hardly be causing a "farmer" to sell his farm. Granted that taxing policy within the city is wrong, and this in a sense causes pressure for suburban development of some farms near cities, giving tax exemptions to such land is a mistake and two wrongs don't make a right. So look upon Clean and Green as a temporary measure, hoping that we can in time get something much better, an across-the-board taxation of land values.

Another case was the high price paid for forty-three acres for new homes near the Skybus facilities. Transit authorities owned this land and were paid \$500,000 for forty-three acres - more than \$10,000 an acre. Because of such instances, it is obvious to our governor in Pennsylvania that farmers near towns will have to pledge their land to agricultural use for an agreed on time before they will qualify for a lower rate than other farmers. And if they renege on this promise and sell their land for handsome sums, they will then have to pay at a rate equal to other landowners for the previous five years. I've been talking to Bruce Williams, a newspaper reporter, who has done some study and

work on these matters in Maryland.

Bruce Williams: Take the farms between here, Maryland Line and Baltimore. All are in an area pressed upon by suburban development and homes for city dwellers. Our law divided land into several levels: open space for wildlife refuge; agricultural and farming; and then residential and commercial. It includes all the land within twenty miles of Glen Burnie, where I live.

Bob Allen: An acre in this area for building homes is going for \$10,000 an acre. The same property sold for commercial use will run \$40,000 an acre. I know of a property with that spread of values that has been paying preferential taxes for fifteen years. It's well known that our governor is disappointed that people do not know the difference in the results of the effect of the tax base - the incidence of taxes it is called. The environmentalists should be on the side of the Georgists. All who want ecological, proper use of land should be. When you exempt a farmer from this particular tax, you enable him to speculate. It does not enable him to continue to farm, but to continue until the price for selling his land is right for him. This is speculation.

Tim Ryan: In North Carolina, the law regulates speculation. If a farmer sells at speculative prices, he will have to pay tax rates as if his were commercial property for the past seven years.

Bob Allen: I believe in that. If he sells it for industrial use, then he should have to pay back taxes at industrial rates for the past seven years. That's what we're trying to do in Maryland to make sure farms are used for farming and not speculation. As it is now, we're pouring all kinds of money to improve the blighted areas people have left in cities. Huge sums of federal aid go into urban renewal. Why don't we consider wiser plans? I can assure you if we reduce tax rates just 5% on buildings and increase it 5% on land values, it would have such a beneficial over-all effect that in-

increased building and activity in the private sector would mean so many new jobs and so on that we could renew cities without federal aid. And if there is decent activity and more jobs in the cities, people won't be pressuring to leave them at the present rate that creates all this sprawl in the counties.

John Weaver: Another result would be that older people, with their children grown and families off to college or married, older people could move back into cities to the relative comfort of a condominium or high rise apartment. Pittsburg has used the graded tax to improve the central triangle and center city. More tax on land values than on buildings has renewed central Pittsburg in a sensible and noticeable manner, a number of them high rise condominiums.

Bob Allen: This gradual move, shifting taxes from building to land by 1% to 10% should be applied state wide. This would reduce the cost of land on the public market.

John Weaver: In general there's too much appeal to misplaced sympathy in this tax muddle. People are appealed to to give exemptions to the poor property owner, the poor widow, the poor elderly couple, or the poor teacher whose property is taxed. Instead of a rational look at the whole problem, we complicate it with one exception after another, most of which play right into the hands of landowners and land speculators.

Loomis: I doubt if anyone wants more than I a rational tax system. And I see the reason and rationality of the land-value tax. Yet I raise a question as to values. What values and what way of living should have priority in the use of land? Take our situation here at Heathcote School of Living. Our thirty-seven acres are set aside for homesteading, a productive use of the land for gardens, orchards, small animals and general family maintenance living. Round about

wealthy families from Baltimore are bidding up the land values. Our land values and our taxes reflect this. If this trend continues, our taxes could become too high for us to meet from our homesteading efforts. Should homesteading be given up because wealthy bidders want our land.

Bob Allen: Rationality means we must follow natural law - the natural law of using land for its proper and best use.

Loomis: Agreed. But what is the proper and best use? Is the rich family with his suburban home, three cars and a swimming pool the highest and best use of the land in this area? See what I mean? Our culture places a high value on material things; the more one has of money and goods, the more he can bid for the land. Georgists claim that we must follow this natural pressure and let the land be used by these wealthy bidders. What does that do to the School of Living homestead way of life which we claim is normal and best, the most human, allowing the development of human capacity and satisfactions?

Bob Allen: If we had a rational society and removed all privileges there wouldn't be such a disparity in wealth as there is today. Everyone would live by his earnings and this wouldn't permit millions of unearned income on the one side and poverty on the other.

Loomis: Granted, and I long for that day. But in the meantime I believe we homesteaders must understand the bind we are in because of the pressure of glamour oriented suburbanites. We make our claim for a tax that permits our way of life and not to have to be pushed off to more remote, more marginal land every generation.

Evan Lefever: Seems to me the Georgist philosophy does favor the city pattern. It looks upon city as a higher value, and as long as land is valued in money

and goes to the highest bidder, urban values will predominate. The land will go to the wealthy families who have money. Natural law, as you state it, does seem to give the urban person first place.

Bob Allen: Possibly; but I am sure that a land-value tax, widely used, is consistent with decentralization, the modern homestead and all the ideas and values of Ralph Borsodi. I repeat that an across-the-board land-value tax would concentrate business and business people in cities and afford so much space there that all homeowners could have a garden. Now urban families can't do that because city land is held out of use for speculation. City people have to be crowded so close together now because land is so high priced, they can't even afford space for a garden. Under a land-value tax, cities would exist only for transportation and communication. Downtown Manhattan is the only sensible place for Wall Street and the stock market.

John Weaver: Yes, it's sensible to encourage concentration of industry on high valued land; leave some open space for gardens, parks, broad streets in the cities. Pittsburg is making fast progress in this way. Nairobi, Kenya raises all its taxes from land values; its a beautiful city.

H. Lefever: Even beautiful cities don't make good living or even good residential environments. It takes gardens and growing; real productive living for that.

Loomis: Maybe this is the time to inject that Borsodi asks us to test every social action, every personal action with three consequences: Is it good for humanity? Is it good for liberty? Is it good for nature? In other words, can human beings live well? Are they free to withdraw from it if they don't want it? And does it hinder or help nature - is it ecological?

ARDEN ENCLAVE

George Collins
Director of the Henry George School of
Philadelphia

Our branch of the Henry George Schools was formed in 1950. We organize and conduct classes in the ten-week course in fundamental economics provided by the New York headquarters, using George's PROGRESS AND POVERTY as a text. The course is still free to any adult though a small charge is made for the text. A question sheet and guide is provided each student, at each session, to guide the study of the next lesson. Free and open discussion is encouraged and required. We have ten or a dozen courses a year, averaging fifteen or twenty students each.

Our students tend to be interested and active participants in current public issues. Many of them are writers, and contribute articles and letters to the editor. Julian Hickock is a veteran and accomplished writer of letters to the editor. We also hold public forums, interact with the university students and some college professors. Altogether, we feel that we are an important part of public affairs in Philadelphia.

Arden is a land-value tax community, six miles north of Wilmington, Delaware. It was founded in

1900 by George Stephens, a noted sculptor and leader in the Single Tax Movement. Many people are craftsmen and artists there and earn their living by their art. They are also noted for their summer theater and presentation of Shakesperean and other plays.

Population may reach one thousand now, all the land is owned by the Arden Association and each householder has a lease from the association for his land, instead of buying it outright. It is a modest, tree-shaded village. The pressure against it is immense, both economically and politically. The area around it is suburban and land values are increasing rapidly, and they go up in Arden too. The community collects enough rent to operate the village; if they collected the full rent of land from each land user, I venture that many of the people in Arden couldn't afford it. A new resident coming in buys the house from its owner, but not the land which might be \$6000 a lot, half an acre or so.

The trustees of Arden see that they need so much to run the town and they pro-rate this to the plot-holder in accord with an agreed-on ratio of values for each plot. Leases can be bought and while this isn't a true Georgist principle, I would say that Arden is a good demonstration of the viability and possibility of the land-value tax. From the land rent, Arden pays its county and state taxes, and, of course, for these they are assessed on both land and buildings. That discourages any expensive building; Arden has only average homes. It used to be mostly a summer colony, but now has year round residents.

DISCUSSION:

Question - Why, after all these years, doesn't Arden collect all its land value?

Collins: Georgists, in and out of Arden, have their ideals and think largely in terms of principles. But the world is full of practical people who think and act in daily, practical measures. Most people, even in

Arden, want low taxes and are willing to pay only what is needed. They don't want to give up the full rental value of their land.

Question - Does a newcomer buy the lease from the homeowner or from the corporations?

Collins: From the corporation. All the land is owned by the corporation. Fifty percent of the land is put aside for permanent green and woodland. Fifty percent is in leaseholds. Now there are no leaseholds for sale - all are taken and only in case of death or removal is one available.

Weaver - While Arden is only a partial demonstration of a land-value tax community, it does prove that land rent can meet the costs of society. If the people want the services which government provides at a certain place, people will pay more for the land there. If they don't want them, they will pay less.

Collins: We have to remember that Arden is not a city. It is a suburban village; it doesn't have all the complex problems of a big city and it doesn't solve all the problems of a big city. We need to remember this when we make claims for what it proves.

Question - Are there wealthy people in Arden?

Collins: No, they are all very modest properties. Residents in Arden look askance at anyone who builds an expensive home; because of county tax on improvements, that will cost more taxes. The county doesn't care what Arden does. It levies its taxes on both land and buildings and if there are bigger better improvements, the county tax goes up.

Question - Do the Arden people understand and teach the George principles?

Collins: In the past two years the Philadelphia George School has held courses there. Some residents attend.

NEW TOWNS WITHOUT TAXES

Dr. Steven Cord
Department of History, State University
Indiana, Pennsylvania

I would like to talk with you about a wonderful new opportunity that the federal government has presented to all who see the justice and freedom available in taxation of land values. This has come about unwittingly to be sure, but I refer to the Housing Acts of 1968 and 1970 whereby the Department of Housing and Urban Development has been authorized to issue grants and loans for the development of New Towns. These towns could be sponsored by private developers in search of profits, by non-profit groups such as the Georgists, School of Living and Community groups such as you folks represent. So can state and government groups.

These towns may be independent towns far from existing urban centers or they may be satellite or suburban towns, like Columbia, Maryland or Reston, Virginia, or planned communities within existing core cities. New Town developers, whether they be public or private, can now borrow money from conventional sources but at lower rates of interest because the federal government, under the new law,

would guarantee these loans. Outright federal grants are also available because of the cost of essential public services, education, public health, safety, sewers, etc., for the first three years of the project launched.

Billions of public money, your money and mine, have already been spent for New Cities and more billions are being launched for the future. The Department of Housing and Urban Development expects to approve sixty-nine federally financed new cities this year, 1973, alone. One such new city is going to be called Soul City, the brain child of Floyd McGriffen, formerly director of the Congress on Racial Equality, the first such city to be developed by a black entrepreneur. Twenty-two millions have been approved for it, twenty-two miles north of Durham, North Carolina. It will provide jobs and housing for blacks who will constitute most of the population of fifty thousand persons, though the community will be open to all races. A good part of the industrial and commercial facilities in Soul City will eventually be owned by its residents. So it is non-profit organizations, private developers and state agencies that have access to these funds.

What you and I want to know is there some way that this vast expenditure of tax dollars can further the cause of land-value taxation and perhaps some other good causes we all favor? There is, I think, a way that this can be done and whether we like this particular expenditure of tax money or not, it now exists as an objective reality with which we have to deal. There is a way in this instance for us to further the government collection of land rent. Let me get to specifics.

Wouldn't it be wonderful, truly wonderful, if one, just one, of these new cities would collect from its very inception, the full rent from land either by having the land privately owned under a full land-value tax set up, which is our preference, or by having either the local or federal governments retain ownership of the land and then have the various land plots rented out to individual users and developers, with the rental income thus obtained being used to pay the city's ex-

penses in lieu of other taxes. What I am suggesting here is that if we can't get land-value taxation in these new cities what we should try for is its economic equivalent, which I am calling GLR or government land rental. In GLR, government would rent out individual land plots because it had retained ownership of the land.

Under GLR, the individual would develop that land as he wished, subject to zoning and health regulations, just as now, but the individual would not have to buy the land, but he would have to pay an annual rent for using his plot, as assessed by the agency owning the land, but subject to the local courts and legal review if necessary. Under either land-value taxation or GLR, the government would be collecting the annual rent from land. It might be easier for the government to retain ownership and rent out the land, because that is what people are used to doing. They are accustomed to paying rent for something they do not own; they might object to paying tax on something (their land) which they do own.

Since the government is going to spend billions on New Cities, can't we get it to spend a few millions on an experiment of this sort? Can we induce Housing and Urban Development to rent out the land in a new city it is financing instead of selling it outright to private developers? That is a question and I think it can be done.

What are the benefits of renting out land to private developers? They are so immense, so compelling that our chance of selling the plan to Housing and Urban Development should not be too difficult. In some ways, the benefits are so great, so utopian, as to be too good to be true. What are these benefits. Here are three prime benefits as I see them from GLR:

- 1) You would have a tax-free New City. The government's revenue from the land rental would replace all taxes on income and all else in that individual town. There would need be no other taxes - it would indeed be a taxless town. The revenue from the land rent would pay the expenses of government.

Some wonder whether the revenue from GLR would be adequate. Would it be sufficient to pay all government expenditures? Well, there are figures to indicate that it would be more than sufficient. For instance, Canberra, Australia, when the government was collecting land rent, collected 10.8 million in year 1958 to 1959. This means an average of \$135 per capita. For most persons in the United States, the annual taxation per capita is much less than this. In Pittsburg, for instance, the figure is \$102 per capita. Now when we realize that in Canberra they weren't collecting all the land rent, but only part of it, we can see that we could actually expect a surplus from government land-rentals. We could actually expect this government to pay dividends to its citizens, chimerical as that might sound. But don't these facts indicate it? With collecting only part of the land rent, Canberra was averaging \$135 per capita and many cities have budgets requiring less than that. Government land rent is not a chimera though it may seem like that. GLR would produce for any city more revenue than it could use for its normal expenses, and people holding the land and producing income on it, would be paying that expense. This is a most unusual situation to be sure, but one that would attract attention elsewhere, and this is one of the prime reasons for advocating government land rental.

Benefit number 2) The land in such a city would, under GLR, have to be put to full productive use, because it would be too expensive to keep it out of use or under-used. This is what plagues many cities today. There is land sprawl. Industries and home-owners go out into the countryside because the city land is not properly developed. In most cities, there are many old dilapidated buildings on valuable land sites. This wouldn't happen in New Cities, not if the land holders had to pay to their government its actual land rent. They would have to put up a building, house or what not (which would be untaxed) sufficient to earn an income out of which to pay tax on their land. What else they owned, their profit, would be theirs.

An Urban Land Institute monograph calls this system (or land-value taxation, its equivalent) the golden key to urban renewal, and not at public expense. And the impetus would be continuous, not one-shot. But even if we took this revenue and not used it - burned it or dumped it into the ocean - it would be worthwhile to do it, because it would bring land into its best use and provide and maintain for adequate land use and land planning. Of course, no one would approve such ridiculous use as burning or dumping of government funds, so it could be used to obtain the other benefits, of reducing or eliminating municipal taxes of other kinds to zero.

A third and final benefit is that selling price of land would reduce to zero. The government's renting out of the land would mean that the builder would not have to incur the expense of sinking funds into land purchase. Land costs often represent 20% to 25% of the total development. A home owner would not have to undergo this expense under land-value taxation or government land-rental. Public improvements would cost less and wouldn't this be a significant attraction to new industry to be told that land in this town would be free, at zero cost, and in addition that enterprise would be tax free, no taxes; no land cost? What an attraction, what an advantage for new industry, necessary as industry is to new towns.

We should ask, Are there any possible disadvantages to this GLR scheme? I see one - an emotional one, not a rational one; but for that reason, nonetheless important. Here it is. People are accustomed to owning the land they build on. They then get sentimental over the land they own. They seem to get special joy out of appropriating a piece of God's own land and rationalizing this desire by saying they need security and need to own the land in order to have the security of their own improvement. In fact, of course, they would have even more security under GLR because the improvements - their home, buildings, equipment and salaries, would not be taxed at all. Wouldn't that increase security of tenure?

Also, the renter or tenant on a piece of land could do whatever he wanted to with a piece of land, subject to the same general zoning and public health measures as now exist under the present system. If one wished to sell his improvements under a GLR system, he could do so. Of course, since he has no investment in the land, he would be selling only his improvements. A purchaser would buy his improvements subject to the existing land rent.

Building on rented land is not unusual even now. Much of the best land of our country is not owned by the improver. I think of the Golden Triangle in Pittsburgh, where much of the land is owned by large estates of long standing and historical families in Pittsburgh. Industries have built on that land and pay rent to the owners. Why pay rent to an owner; why not to the public or community, so that everyone benefits? Most of the four corners on Lexington Avenue and Forty-Second Street in New York City are owned by the Penn Central Railroad; Rockefeller Center land is not owned by the building owners, it is owned by Columbia University. Builders now prefer to buy land, build on it sell it to some investor and rent it back from that investor. They prefer not to have their money tied up in real estate. They can make more out of putting their money into inventory, material or whatever. I suppose this habit of wanting to own land they build on is largely a sentimentality in many people. Once they see the benefits to them in government land rental, their habits will change soon enough, as will their sentimental feelings.

Personally, I will still try to get existing cities to adopt land-value taxation. But the process has been a slow one, handicapped by the opposition of vested downtown interests and by the lack of public referendum on the local property tax system, which has been responsible for the spread of local land-value taxation in Australia and New Zealand. It has been a long, difficult struggle. I would rather spend more of my future time and effort trying to get federally funded New Cities to adopt GLR and thereby achieve

a more clear cut experiment. With government land rental we can have the collection of the full land rent, immediately and from the beginning of a town's life. Then we can really see what the results will be. A tax-less new town, paying dividends to its residents, with other benefits besides, cannot fail to attract attention. Let us contact our public officials and tell them about government land rent.

Let us not forget state authorities. In Pennsylvania and Maryland and other states also, there are laws on the books authorizing the state departments to avail themselves of these federal funds. But matching state funds are not yet available except in Pennsylvania, Maryland and New York. New York is going ahead, building many federally and state financed new towns. Pennsylvania and Maryland will soon be moving in that direction and other states as well. We needn't wait for other states to act. Any non-profit organization, especially if it has new-town experience; but even if it doesn't, can apply for these federal new-town funds under public law 91-609. A lawyer would be needed of course. We ourselves can act to bring our dreams into reality. We must organize for that purpose, realizing first that there are advantages for us to these acts and plans which perhaps we have not given much attention to.

I hope this talk has brought this matter to your attention and will lead to action. We can do this on our own. We need only a few to stir our public officials. Let's hope something happens. Thank you. Thank you very much!

RALPH BORSODI & SCHOOL OF LIVING

Mildred Loomis
Director of Education, School of Living

We are glad in these first sessions just concluded to hear of the ideas of the Henry George Schools - of their history, expansion and achievements. We are now scheduled for something of the same on the School of Living. I discovered the School of Living in the late 1930's when I was a young college graduate seeking alternatives; something like young people today are doing. I had been for a few years a teacher in public schools and in religious education and a social worker in the Chicago slums. I was less than satisfied with the work and myself in doing it. The School of Living presented challenges which I wanted to investigate.

A School of Living! We are all familiar with a School of Engineering, a School of Agriculture, or of Architecture; a School of Law, an Art School, a Trade School, a Beauty School. But a School of Living! So far as I know, Ralph Borsodi is the first to conceive, to organize and operate a School of Living. He did it to offset the specializing, the fragmentation, the splitting into bits and pieces that had become common both in modern education and in modern living. He created

a School of Living in an attempt at wholeness, completion and fulfillment of human beings.

Ralph Borsodi was born in a middle class family and grew up in the Bronx, New York City. His mother died in his childhood. He was privately educated and very early grew adept at his own learning and self-education.

Bolton Hall, an admirer and co-worker of Henry George, was a friend of Borsodi senior. Young Borsodi was part of many family discussions with Bolton Hall. He learned early of the evils of land monopoly, and of the meaning and challenge if a community were to collect its land-value. Quite naturally he wanted to join the crusade. What would you do in the midst of New York City as an adolescent if you were moved by George's teaching? You'd probably do what Ralph Borsodi did when he was 17 - get a soap box, put it down on a corner near Washington Square, mount it and talk to all comers on how to eliminate land monopoly as a base for a free society. To Borsodi, George's ideas were familiar 60 years ago, and it's been central in his writing and acting ever since. Ethical, honest economics and business were his forte.

As an expert businessman, his first book in 1919 was THE NEW ACCOUNTING. There he stressed how important accurate records are to the integrity of a business. Soon he became marketing and advertising consultant to large firms including Duponts, Macys and others. He recognized the service of advertising but also its evils and errors and the tendency for business to "oversell" and stimulate over-consuming and dependence on the market. In his early book, ADVERTISING AND NATIONAL PROSPERITY (1920) he urged advertisers to put some of their large incomes to charity and education. But he never lost sight of the basic error behind all industry and centralization - the absentee ownership of and speculation in land.

Still young, he married a Kansas farm girl who had come to New York for a business career. When their two sons were small, the Borsodi family made their "flight from the city." On Seven Acres they de-

veloped their first productive home. Later they bought 16 acres and built a small dwelling of native rocks. They expanded it as time went on to a roomy, three-section home which they named Dogwoods. They gardened, processed and preserved food, raised chickens, rabbits, goats and bees. They added out-buildings of stone and a swimming pool. Eventually, as the boys grew up, they built a stone cottage for each of them - all still beautiful and serviceable today, fifty years later, now in the ownership of a good friend.

Borsodi commuted to his New York City office for some years. But always in Dogwood's third floor study, he pondered how people, to be fully human, should live. He spelled it out in THIS UGLY CIVILIZATION which Harpers published in 1928. In it he compared the quantity-money-minded life which most people were living and seeking, with the creative family experience of the modern homestead.

In those years I was a young teacher in Dayton, Ohio public schools and its released-time weekday school of religion. There we experienced the Great Depression of the 1930's. Dayton was hard hit; all its major factories closed down - headed by General Motors, Frigidaire and National Cash Register. Fifty percent of the heads of families were unemployed; children came to school hungry and without shoes; banks were closed, social agencies overwhelmed, and its teaching staff, including most of us in religious education, without salary. I, with co-workers, took what savings were left, and went to New York for more "light" and education on this difficult situation back home.

We enrolled in Teachers College and Union Seminary of Columbia University. We asked Dr. Harold Rugg and Dr. George Counts, famed sociologists, "What can be done about the economic collapse in Dayton, Ohio?" They didn't know but gave us a book, THIS UGLY CIVILIZATION by Ralph Borsodi. We read it, decided to see and talk with the author. Borsodi welcomed us, listened to our story of Dayton's need. From this and

other visits, he was invited by Dayton's Social Agencies to come to Dayton. He asked, "Why continue feeding people in the City? Why not help them get on the land to feed and shelter themselves? Develop some demonstration homestead communities composed not only of people on relief, but persons of all walks of life?"

So the Dayton Homestead Experiment was born and developed. I'd like to elaborate this a bit, because it was so important in my life and to the many people who then, and more recently, have been looking for alternatives. Dayton Social Agencies first bought an 80 acre farm on Liberty Road west of Dayton and divided it into some 30 small acreages. Not forgetting his first concern, Borsodi helped them put this land into the common holding of its users who became the Liberty Homestead Association. They were not buying their acreages, but paying an annual fee to their association for its use. Families applied and were selected; material purchased (with Social Agencies loans) and homes were designed and built, to be owned privately by the homesteader builders.

Borsodi wanted this to be an educational experiment. He sought and gained the cooperation of the Ohio State University President, who assigned faculty members in agriculture, horticulture, animal husbandry, etc., to teach and train the Dayton homesteaders in needed skills. The plan increased to ring Dayton with fifty small homesteading associations of from thirty to forty families each. The Flagg method of rock-building which Borsodi had used at Dogwoods, was popular; most homes had an attractive copper-hooded fireplace.

Not long until funds were depleted and people suggested borrowing from the Federal government's New Deal coming into existence. Borsodi resisted - "Government funds mean government control," he said. But urged by necessity, Borsodi went to Washington and interested Secretary of Interior Ickes, and through him the President and Eleanor Roosevelt, in the "homestead answer" to both unemployment and the larger

cultural problems. Borsodi returned to Dayton with a \$50,000 loan with the unusual concession that supervision of the money's expenditure could be in the hands of the Dayton Social Agencies. Building continued. On the federal level a Division of Homesteading was set up in the U.S. Department of Interior and other homesteading communities were planned, out in the nation. When Dayton's \$50,000 was exhausted, Daytonians applied for a second loan. "Please wait," the government replied. "The Homesteading Division is being transferred to the Department of Agriculture, and we're not in a position to allocate funds now." Dayton homesteaders waited. When they pressed for an answer inspectors came out and asked for more time while they made detailed audits of the project. After some months they gave the homesteaders a choice: "If funds are loaned from the Department of Homesteading, that will mean the project must be supervised and directed by U.S. government officials. Are you prepared to put control in our hands?"

I had arrived on the scene from a stint of social work in Chicago's slums. I was part of the meeting when the homesteaders took the vote. Many saw that a government loan was their only chance. Winter was approaching and their homes unfinished. Without money to continue work, they would live in tents or shells of homes. The vote was in favor of "federalizing" as they called it - to take federal money and federal control.

At this Borsodi decided to leave the Dayton project. "I prefer not to work under government supervision. You can continue the project as you have elected," he told the homesteaders. "I see the need, if there is to be a valid, widespread effort at a 'rural revival,' for it to come from a sound educational movement." So he returned to Dogwoods homestead, near Suffern, New York, and by 1936 had organized and established the first School of Living. "Such an education is of two aspects," he told cooperating friends, who included Dr. Rugg and Dr. Counts, of Teachers College at Columbia. "Our School of Living will help people see

and know both principles and practices of good living. It will help them learn to garden and build, to process food and care for animals. But it will also help them understand the intellectual, emotional and social aspects and implications of all this. They shall know health in all its areas; they must understand principles of organization - when to cooperate, when to compete, when to turn to government; they must know principles and practices of production - what and how to produce at home, what and when to leave goods to factory production; people need to know the just and right principles of ownership - what things shall be privately owned, and what collectively owned, etc.

"The real task of education is to help people be selective, eclectic, pluralists - not monists," he repeated. "Too many people get hold of a single idea, good in its elf, but not adequate to the whole of living. A School of Living must help people face and adequately deal with all their real problems of living."

All this appealed to me, employed in Dayton, now teaching in its public schools. The government supervision of the Liberty Homesteads had ended in their liquidation. Delay and red-tape meant no action; homesteaders did live in their tents and shells that winter while audits and inspections were attempted. In the end they asked for refunds on the amounts they had invested of their own. With these they left their unfinished homes and most of them put the funds into homesteads at now, very low, deflated prices. One such homesteader was John Loomis whom I met and worked with the re. He bought a run-down farm, for a song. We planned to join our lives and develop it at Lane's End Homestead.

We agreed to postpone our marriage while I went to the Suffern School of Living to train for our homesteading, and to encompass as much as possible of what Ralph Borsodi meant by "living the good life." That was indeed a year of learning how to live. I could write a book about it, which I hope to do.

At Suffern School of Living, I was asked to fill the position of "assistant to Borsodi" - mostly to inter-

pret the philosophy to visitors, and to form and conduct forums in major problems of living. Along with it we gardened and preserved food; we did research which issued as the famous "How to Economize" bulletins on gardening, canning, dairying, etc. We read challenging books - on the Hunzas, nutrition, the famous studies of Dr. Weston Price on NUTRITION AND PHYSICAL DEGENERATION. We met interesting people - J.I. Rodale and his young son Robert came to inspect our compost heaps, read our books and enjoy natural, whole foods at our table. They've spread it to millions via ORGANIC GARDENING magazine.

The only thing better than being assistant at Suffern School of Living was to live out the pattern on our own homestead with John Loomis. And that's what we did from 1940 to 1968, when he died. Some articles have been written about the spate of modern homesteading. Ours along with the homesteading of others has been detailed in the publications we edited during the past thirty years. Always we were guided and blessed by the insight we had in major problems of living. We shared Borsodi's continued analysis and development of these problems. We corresponded about and discussed them, attended and helped organize all the seminars he conducted on them in these years - at Oberlin and Antioch Colleges, in his own Melbourne University in Florida, and many other places.

We kept in touch while he went to Mexico and to India searching for co-workers in his crusade for decentralist solutions to the modern dilemma. We assisted with problems of publishing his books. We held group studies, formed a local area School of Living in Ohio, kept our monthly journal coming out as THE INTERPRETER, BALANCED LIVING, A WAY OUT, THE GREEN REVOLUTION. Lane's End was, in fact, an outpost of the School of Living.

In 1965 our School's board of trustees helped purchase the thirty-seven acres in Maryland, here to set-up, if possible, a demonstration homestead community and to constitute a training center for leaders in the decentralist movement. You see here today some

of the results. You see what we have made of a sturdy 150 year old mill building that was in shambles when we bought it. The years we have had this property have been difficult ones - it coincides with my most difficult years - the illness and death of John Loomis, the need to dispose of Lane's End in order to share the inheritance - all very difficult and traumatic for me.

As a consequence, supervision at Heathcote was at low ebb. A group of autonomous young people functioned here - somewhat on their own terms, but acceptably continuing the publishing of THE GREEN REVOLUTION, and working out their own life problems. As we all know, the search for alternatives is rife among the young today. Our answer of "a good life on the land" beckons to many. Making the grade - the actual working out and implementing the homesteading life, is often more difficult in practice than the reading about it. We have here our share of seekers - many have learned well, and gone out to their own homesteads, or their part in the rural revival in various sections of the country, of Canada and in the world. A roster of our "graduates" and their present life-styles is indeed quite a testimony to the resourcefulness and strength they developed here. Some of them are in our sessions today, Evan Levefer and Ruth Tilton now doing so beautifully with Goodheart Farm at Beckley Springs, West Virginia; and nearby is Herb Goldstein at Downhill farm, in Hancock, Maryland. In my proposed book on the School of Living, I'll describe the work and accomplishments of a score of them.

If you look with understanding, you will notice evidence of accomplishment on the physical plane here at Heathcote School of Living - a restored building, comfortable office space, a well-handled cooperative dispensing staple natural foods, an extended toilet-bathing facilities to serve the twenty or more people who are in residence here; the Crib, carriage house, and other outbuildings refurbished and insulated to make living quarters by and for our student apprentices. You will see a very creditable Community Center up the hill, designed by Ted Judson, and constructed by

him and other "commune members" of salvaged lumber for \$400; you'll see Marga Waldek busy at her completely self-built, big, round homestead house; you'll see some thirty almost-cleared acres available, and some of them applied for by other homesteaders.

Some of our accomplishments are occurring in places distant from here. First, are the homesteads and communities being built, as I've mentioned, by our "graduates." Other homesteads by the hundreds have been developed by readers of our papers. Much help and learning has come to attendants at our weekend seminars on gardening, health, nutrition, child development, land trusts, money reform, and a host of other problems of living. We have written testimony and grateful expression of the help scores of people have had from Heathcote School of Living.

We believe too that our influence is being felt and extended much farther in basic social change on the two fronts which concern us most in this present company - the land reform and money reform. Borsodi's organization, "The International Institute of Independence," at Ashby, Massachusetts, under the direction of Robert Swann, exists to sponsor, teach and implement the group and trust holding of land for its users. "The International Foundation for Independence," at Exeter, New Hampshire under the direction of Keith Dewey, exists to teach and implement Constants, a commodity-backed money initiated by Borsodi which I will explain this afternoon.

Altogether, I hope you agree from this brief history of the School of Living, we can and should make a place and a future for our School - a School whose goal is to sponsor human practices and principles of living, organized around seventeen pegs or "areas of experience" and tested by agreed on "norms of living."

DISCUSSION FOLLOWING MRS. LOOMIS' ADDRESS:

Carl Shaw - When was the School of Living moved from Lane's End and when did you come out to Maryland? How is it operated now?

Loomis: The School bought this property in 1965 and various friends shared its supervision. The first was Dee and Ken Sprague; then Edith Gosnell, and after that, Roger Wilks. When Roger left in 1970, the Heathcote group began to call itself "Heathcote Commune" and functioned somewhat autonomously here in return for publishing THE GREEN REVOLUTION. In the Spring of 1971 I came to live at the Anackers and to observe and participate where needed. We invited and engaged several persons to function as directors, but three such attempts were unsuccessful and very brief. For the past year I have re-assumed increased, voluntary participation, which includes direct management and supervision of regional School of Living conferences and monthly seminars at Heathcote as well as some physical, renovation projects of our grounds and editing of THE GREEN REVOLUTION.

Now Richard Fairfield from Los Angeles has merged his monthly with THE GREEN REVOLUTION and will be editor-manager of our bi-monthly. His first sixty page GREEN REVOLUTION is here for inspection and I believe you will agree that he has a good grasp of Borsodi's and School of Living approach. Now too, Willis and Lucile Hunting have come to be executives of the School's program and to develop a Montessori school of children in conjunction with it. So now I feel much freer to turn to the writing and traveling that has been on my agenda for some years.

The School's income has been from our own earnings. GREEN REVOLUTION subscriptions paid its printing and postage. My conferences and seminars have paid their way - to the sum of \$4000 or \$5000 a year. No one has had salary, but now we have agreed on \$400 a month for Willis Hunting which he is disposed to help raise. We do appreciate any subscriptions, contribu-

tions or other financial help.

Bob Allen - What are the seventeen problems of living?

Loomis: To explain them would keep us here all day. We hope to have a weekend seminar on them soon; or maybe a series of weekends. I've long hoped that our board and other members of the School of Living would be thoroughly familiar with these problems. Let me just mention them here.

How would you go about organizing problems of living? How many distinct and different problems would you say there are? Why did Borsodi settle on seventeen? This is not a hidden esoteric job - sifting out real problems of living is possible for any one.

People came to Borsodi with all kinds of problems. He tells of a specific incident which got him started cataloging problems. This man said, "Borsodi, I have a financial problem. I wonder if you could help me. My wife has to go to the hospital and I have to borrow the funds." Borsodi heard his story and said to himself, "This man's real problem is not financial. He really is facing a health problem."

So he began listing problems as people came to him, putting similar problems in labeled boxes. He was familiar with how some philosophers, principally the Greeks, tried to catalog problems. Remember how they did it? The three great classifications they used? No? Yes you do - don't you know their great trio; The True, The Good and The Beautiful.

At first Borsodi tried to put actual, real problems into these categories, but found it too limiting, too tight. But he agreed that these Big Three did suggest the three aspects of a person that we all recognize as Thought, Feeling and Action. Think about it a moment. Borsodi saw that problems were mainly intellectual, emotional or behavioral - thought, feeling and action.

Problems and queries which could be dealt by the mind; other problems that had to do with feelings and values; and a third which could not be dealt with except by action. In the terms of the Greeks - Truth

for Thought, Beauty for Feelings, and Goodness for Action. Very neat and very profound as I see it.

All right. What are the great universal queries that all people face in the intellectual or Thought area? Borsodi lists four:

1) What is the nature of the world I live in? We all ask and ponder that, don't we? If you've given up on that one, your little child will ask it some time. They all do. Where did the world come from? What's it made of? Where is it going?

2) What is the essential nature of the human creature? Does he have free will? Is he determined by his environment? Some of both - where and how much? What is a human being's responsibility, etc.

3) What is the nature of Truth? How do we know what it is? What validates our ideas, concepts and practices? Do we know or come to any agreed on answers for these queries?

4) What is the nature of Cause? What causes events? And again, what is the area of responsibility for each of us?

Group II, another four big queries that have to do with feelings, values, preferences. These four force us to observe and deal with feelings and emotions.

5) Purpose; what is my purpose in living? Shall I follow the leader, do what everyone else does. Do I know why and for what I have chosen to live?

6) Beauty; what objects are beautiful and what ugly? What makes them beautiful? Ugly? Does anything go, just because I happen to "like" it?

7) What actions are good? Which ones bad? What makes them good or bad? Are there acceptable standards to judge them by?

8) How rich do I want to be? What material level of existence should I strive for? Can the problems of wealth and possessions be solved without a careful training in "economic values?"

Group III - we've covered eight important problems. Nine left. These are problems in action. All nine of them in School of Living program are important and all must be dealt with consistent with the standards we have set in answering the foregoing eight. These nine include, numbering consecutively from the previous eight:

9) Health; how shall we achieve maximum physical mental well-being throughout a long life span?

10) Occupation; how shall I occupy myself as between work, play and recuperation?

12) Possessions; how shall land, money and goods be owned and possessed so that each person has maximum freedom and security?

13) Production; how shall goods be produced; which in homes and local areas; which in factories and centralized manner?

14) Distribution; how shall goods be distributed among those who claim a share in it?

15) Organization; how shall enterprises be organized, as to cooperation, competition, etc.?

16) Political; when if ever shall legal coercion be used?

17) Education; how shall the wisdom of the world be distributed?

There they are! Are you wiser for having heard them enumerated? I hope they help you want to probe them in detail. I believe, from my experience, it could be said, that if you were to spend two or three hours in serious consideration and discussion of them with an interested group, you would never regret it. It would help make sense and order out of your search for knowledge and living.

Question - What is your goal and hopes for the School of Living?

Loomis: Another question that would keep us pondering for a long time. Brace yourself for a sweeping answer!

What are our hopes and goals? What is a fitting answer for anything which one believes strongly can benefit any human being? Is it presumptuous to say that I hope that adult education in major problems of living can grow and spread into every community in our country? If in every town and hamlet, the concerned thoughtful adults of that community gathered in a common center, which they could call their School of Living, to probe, discuss and act on their own major problems, wouldn't that be a sensible and challenging goal, one that every member of the Schools of Living could cooperate in helping bring into reality?

That, briefly, is my hope. It's what I've been working for since those early days in the 1930's when I first met Ralph Borsodi at his Dogwoods homestead and worked with him in the Dayton Liberty Homestead experiment. It helped us keep meaning and satisfaction during those thirty years at Lane's End and since at Heathcote School of Living. I've enjoyed the struggle, I've appreciated the wonderful people that have worked along with us, and I have every confidence that we are just entering the best period of School of Living history.

Now I am sure we must be ready for adjournment of this session, ready to gather downstairs for a lunch of organic vegetables, whole grain bread and natural cheese to refresh us for our further work together.

LAND TRUSTS: A DYNAMIC ENCLAVE MOVEMENT

Tim Ryan

Morning Star Landscape Company and
Community, Chapel Hill, North Carolina

First, a bit of history on the land trust idea and practice. Out in Yellow Springs, Ohio during the 50's and 60's was a young man, Robert Swann, who was very active in the peace and pacifist movements. When the race problem flared-up in the mid-50's, Bob Swann wanted to help reduce or eliminate the violence from that movement. He went down South to add his energies to the pacifist handling of the racial struggle. It was a difficult job he had assigned himself.

He, of course, found the Southern Negroes in great poverty. They lived in segregated districts in the cities, many of them in poor houses, blighted sections, with low incomes, unemployed or on welfare. He very early saw that unsolved economic problems were of central importance in the race issue. Without land, without jobs, there could be little hope for racial equality and little hope of forestalling violence. Robert Swann soon decided that the best answer would be a back to the land movement for Negroes - back to their own land. But how to do that? With land every where in the South eroded and run-down, very costly to buy and many Negroes having lost the skills of living on the land.

Robert Swann knew Ralph Borsodi as a man with experience and answers in this direction. So he turned to Ralph Borsodi - went to his home in Exeter, N. H., and asked him what to do. Borsodi agreed that an on-to-the-land movement was needed. He suggested what he had used in his early experiments in the 1930's when he formed the School of Living, a land holding arrangement he called the indenture for the use of land, or the holding of land in trust and not for sale. With the early 1936 legal reforms as patterns (which had been worked out with the help of U. S. Department of Agriculture attorneys) they drew up sample contracts for the holding of land. They also formed the International Institute of Independence (now in Ashby, Massachusetts with Robert Swann as Director) to teach, sponsor and assist in the formation of land trusts.

So when my dreams and my opportunities became clearer to me, we turned to the School of Living and Ralph Borsodi's land trust, community and school ideas. I am sure that a human being is a complex creature with a whole matrix of problems. You can't just solve one problem if you expect to make progress in human development. Borsodi deals with this complex of problems. Borsodi is the first man I know who has a systematic approach to the principles and actions that humanize living. As you know, life on the land and the land trust are high on his list of priorities for good living.

So we wanted a community on the land, and we wanted to hold it in trust. I am twenty five years old. I had worked in a landscaping firm but I quit a couple of years ago and set up my own business, the Morningstar Landscaping Company. Five couples of us are now partners; we all live in two trailers and two houses on seven acres of land on the outskirts of Apex, N. C., near Chapel Hill.

We live in a world where we need to decentralize production and population - get out of big cities. On the human and spiritual side we need to do a little centralizing - bring people together. Our families

have been split apart; our communities have been fragmented, until today we have the paradox of lonely people living in sight of crowds of other lonely people just like themselves.

Culturally and socially we need to heal this loneliness and organizationally we need to decentralize production and residence. Both of these need the tool of the land trust. It helps people get to the land and it brings families into a bond holding their land in common, and in sharing personal, creative survival on that land. This is my central goal - to share human and spiritual values of the community use of the land in trust, as a way to deal with complex human problems.

I hasten to add what we have done in North Carolina is a long way from solving these problems, but we had to start somewhere. I had a little skill as a nurseryman and decided to start there. Had I been a baker or a carpenter, I would have used those tools to start our "new society." Some new agers think the new society will come with guns; we offer our pickups with shovels and gardens. We started where we were - even with no money, and I despaired when we went to borrow some. So we decided to earn and save our money to buy our land.

Now, after three years we have five couples as partners in our business and we employ eight to ten others in the Chapel Hill area. We have weathered a financial crisis and we are now saving our money. In the Spring of 1973 we bought the land - a beautiful 240 acre farm of rolling hills, woods and cleared spaces, with several old, but usable houses and out buildings. With the help of a few friends we had the necessary 10% for downpayment and a loan of the remainder from the U.S. Federal Land Bank. We hope to get it refinanced at a lower interest rate from the new Borsodi monetary fund, the International Foundation for Independence. This is all more actual and physical progress than I expected to make in this time.

One of our families, Joe and Anna-Marie Edwards,

is now on the farm building their own home. I hope to renovate a second building this Fall. We meet the problems day by day. We know each other; we are dependent on each other; this makes us sensitive and tolerant of each other. We work together as a company; we share the larger goals of a more normal way of living and a community that might help demonstrate it.

The 240 acres is in the name of myself and two others, but the land is in trust. No one person owns the land, the laws of North Carolina confirm that it shall never be sold again. 240 acres are thus taken out of the speculative market. We plan diversity of living, to allow for ecological use of the land and for freedom and creativity among the families who join us and set up homesteads. Diversity insures rather than detracts from stability. Joe and I have written several statements of our contract with land users; we are studying others and still rewriting it. We all agree to state at the beginning a purpose equal to and surpassing the Declaration of Independence.

We have two types of land trust in mind; our local one for 240 acres and an umbrella land trust which might combine several area land trusts into a regional trust. Couples and families in our landscape company will be first homesteaders - we will help them get started. Some might want to form a compost company to make and sell organic compost; or maybe they will want to grow nursery stock. We will assist them the first year, after that they are on their own. Our company and our trust will start and train new companies. The umbrella trust will have a committee to give guidance to other groups - in selecting land, in organizing and financing, in guidelines for the use of forests, mountain and low land, or even of downtown or near town land. Leases from the trust will run 59 or 99 years.

DISCUSSION:

Question - How many trades do you have in your group now?

Ryan: We have a master gardener, a carpenter who makes good cabinets and furniture, a mason who puts in patios and brick walls, two experienced in general farming, a contractor who has remodeled and built houses.

Question - I hear Goodheart Farm at Hancock, MD, has their land in trust also. Evan, would you share some of your experience and the conditions on which you lease land to users?

Evan Lefever: The farm which four of us operate is 310 acres near Hancock, Maryland, just across the river from Hancock on River Road, though our address is Berkeley Springs, West Virginia. The land is owned by Mrs. Ruth Morris of Armonk, NY, who has studied and practiced organic gardening.

The four of us were part of Tim Ryan's company just before we decided in July 1972 to take over Goodheart Farm for Ruth Morris. I grew up on the Lefever Sonnewald Homestead and met some of our group when I lived at Heathcote School of Living. Ruth Morris pays us to operate the farm and we also share the income from our fifteen acres by the river of organic vegetables.

Our contract puts the land in trust. We have four classes of members: first are charter members, the four of us along with the owner; second are use-members, or those of us who farm and use the tillable land. More than two hundred acres are in forest. We each pay a \$100 membership fee and an annual lease fee which can be changed at a group meeting. Now it is \$100 a year; third are resident members, those who would use a small plot, probably wooded acres, for a residence and homestead. They also pay a

\$100 membership fee and an annual lease fee not yet determined; fourth are sponsor members, those who pay \$1000 or more as gift or donation to the trust.

Our trust is a non-profit, educational and experimental corporation and our papers are all drawn up by attorneys and legally accepted and filed with the Secretary of State.

We have had good crops; from July on we harvest and sell at least a truck load of fresh vegetables in Washington, D.C., one hundred miles away, twice a week. It keeps us busy but we are enjoying it and hope to continue.

Mildred Loomis: From several visits at different seasons of the year I can testify to wonderful results; beautiful carrots, potatoes, beets, lettuce, peppers, corn. Not far from Goodheart, about nine miles west on Route 40, is Downhill Farm, owned by Judson Jerome and his wife, former directors of Antioch experimental school at Columbia, MD. They prefer their farm, with its organic gardens, woodwork shop, big house, barns and a beautiful new log cabin, to even the freedom of education permitted at Antioch experimental college. They too are putting their land in trust and Herb Goldstein, who lives with them, is collecting copies of various forms of land trust contracts.

EXPLOITATION VIA INFLATION: AN ALTERNATIVE CONSTANT CURRENCY

Mildred Loomis

Our intent was to have Keith Dewey or someone from Borsodi's International Foundation for Independence here to discuss this rather formidable topic. But pressure of their work prevented this, so I will open the discussion of these matters with some preliminary statements.

Yesterday's discussion I believe shows that any hope for a free market and free enterprise depends on open and easy access to land - both urban and rural and all other natural resources. Most of us agree that human freedom rests on free production and free exchange of goods. We believe a free market must have free prices; that is, production in response to consumer demand and bidding should set prices. This is the well known "law of supply and demand." It works like this.

Suppose more people want more milk. This will push up the price - consumers will "pay more" to get some of the available supply. Farmers see this and produce more milk. They bring more to the market and this pushes prices down. Exchange drops to the level or price that effectively supplies the new de-

mand. The general price tends to be stabilized at the price that brings to the market enough to meet demands. Supply and prices change with demand. This is what I learned in getting my university degree in economics, from endless graphs of supply and demand, under varying conditions.

But demand for goods is a pressure on land. Demand for milk or beef or lumber or copper or space to live, adds to the need for and use of land. Our university economics don't really integrate this factor in their teaching. Our discussions yesterday show how the continual pressure of industry and population on land pushes up land prices. It showed us too what happens to land rents and the unearned increment which private holders of land can pocket under the accepted legal system. All this emphasizes, in our judgement, the great need for changing this system, and motivates us to extend the community collection of rent of land; and to use the land trust to hold land in use and take it out of private speculation. So much for a review.

Now, let's take a look at another aspect of the general economy which upsets the fair distribution of goods and labor - namely, money, or the medium of exchange. So long as people exchange goods for goods and labor for labor - or barter it - the two people making the exchange can mutually decide what is a fair deal for them. But barter is clumsy and awkward - it's hard to exchange milk for coal and dress fabrics for butter. So we use "money" to represent goods. This makes it convenient and everyone would be better off for it, IF the money we used accurately represented the goods and labor we exchange with it.

But suppose we allow someone to come into the picture - into the middle of the exchange - your goods for mine - to provide, manage and regulate that which represents our goods - so that it doesn't in fact measure it. We are all familiar with inflation. Prices keep going up, our money buys less and less. Because money is issued out of proportion to the goods

it represents. A lot more money is issued than there is goods. This means that people have a lot of money to bid for the goods, and this pushes prices up. In fact, our money buys less; we've been cheated; robbed.

You're also familiar with the devaluation of the dollar. Periodically, our government, and other governments, who have charge of money, who issue it, decide what the value of its unit shall be - the dollar, mark, franc, lira, pound, etc. That's the same as deciding what the value of the things you produce should be. Nice, isn't it - that people allow such things as inflation and devaluation of our money, to go on? Any doubt that we are victimized by this complex, mostly hidden, misunderstood aspect of living, which we call money?

If there is there are plenty of books we can study that expose this system. They are in the School of Living Library. Many public libraries carry them. MONEY CREATORS by Gertrude Coogan, THE FEDERAL RESERVE BANK, A FANTASTIC FRAUD by H. S. Kenan; BONA FIDE AND NON-BONA FIDE MONEY by E. E. Popp, and INFLATION IS COMING by Ralph Borsodi.

The ways different money reforms suggest to correct the exploitation via money are many and varied. To get into them is to wade into a muggy swamp; the farther you go, the deeper you sink and the more confused you get. It is because I think Ralph Borsodi gets to the core of the money problem and suggests a sound, ethical and usable system that I support and promote his Constants. I'll try to share what I know about it. First, how did this experiment come about?

In 1972 the papers were full of headline stories about the United States going off the international gold standard. The US had devalued the dollar. The US had gone off the gold standard domestically in 1931 which means that the US Dollar is not backed by gold. Only government debt, the promise and the power of the government to print more money is back of the dollar bills you hold in your pocket. In 1972, going off the gold standard meant that gold was no longer

back of payment of bills and debts to other nations.

Borsodi was reading the hue and cry this caused in the New York Times at lunch in Escondido, CA. His understanding helped him take in the risks, the dangers, the possible - almost inevitable - increase in inflation this would cause. He saw that all the books written about money and need for new systems had been of no avail. What we need, he said, is a new system in operation. Only a test, not more books on the subject, can do the job. And suddenly he wondered how an experiment in a better money system could get started. He jotted down questions that a new experiment should deal with. When he got to his typewriter, he listed them:

Can a money be issued backed by commodities, a group of say thirty commodities, rather than gold?

Can a stable "measure of value" be computed?

Could an experiment, say for a year, be undertaken, actually set up and circulate new money with commodity backing?

What would such an experiment cost? What legal difficulties stand in the way?

Can arbitrage - instantaneous buying and selling of goods on an international market (not speculation) help defray the expenses of such an experiment and such an operation?

With these and other questions in mind, Borsodi returned to Exeter, NH, his home, and invited the interest of Exeter bankers in such an experiment. Two banks agreed to be depositories for an Arbitrage and Constant currency. This did not mean that they approved or that they would sponsor it. But they saw no harm, rather benefit, in it for them to be depositories of dollars that would be converted to Constants and eventually backed by commodities in arbitrage. Check forms were worked out; computations made of Constants in dollars (one Constant is valued at twenty cents). The new experiment was explained at the School of Living conference at Conway, NH in June, 1972; our Green Revolution carried an article about it in August; special School of Living members and

friends were invited to be depositors. Gradually, depositors sent dollars to help in the experiment; gradually Constants began circulating in Exeter and in other places where depositors lived. A few papers carried articles on it. In May 1973, YANKEE magazine featured Ralph Borsodi and this plan; in May the Bergen County RECORD carried a full page article on it. In February 1973, Ralph Borsodi explained it to School of Living California Conference attendees. Green Revolution reported on it each month.

A staff of five persons, headed by Keith Dewey, operate the office of the Constant experiment at 24 Front Street, Exeter, NH. Total number of depositors reach approximately one hundred and the average total deposits are around \$100,000 or, in Constants € 500,000. A monthly printed bulletin is now issued by their office. For a year the corporation handling the experiment was titled the Independent Arbitrage International. In early 1973 it was merged with the International Foundation for Independence, with headquarters in Luxembourg. Branches have been set up in London. The US Department of Treasury does not object; they said to Borsodi's inquiry, "You can issue clam shells or pine cones if people will accept them."

To conclude, let's point out how Constants correct the evils of the generally accepted money system. First, IFI is an independent cooperative, issuing and managing money. Borsodi believes that issuing money is not a government function. Most governments do not resist the temptation to issue money to pay its own deficits, or to pay pensions or stimulate employment. This is dishonest and inflationary. Borsodi holds that money should only be issued on goods going to market thus keeping close to the goods it represents. This makes Constants honest and non-inflationary. The value of the Constant keeps pace with the rise in prices of goods and always buys the amount of goods it was issued to buy.

Thus Constants correct the three main evils of a dishonest money system. Constant banks are essen-

tially cooperatives of its depositors and members. Constants are backed by staple commodities, always needed by all people for survival. They are in effect, claims to actual goods. Their purchasing power is constant. Ralph Borsodi explains all this and more in fifteen brief position papers on money which will be carried serially in the Fall and Winter issues of the Green Revolution, now edited and published by our new editor Dick Fairfield at 442 $\frac{1}{2}$ Landfair Ave, Los Angeles, California 90024.

DISCUSSION:

Question - What is arbitrage?

Loomis: There is arbitrage in currency and arbitrage in commodities. This means exchanging currencies or buying commodities in international trade on the same day. Buying and selling are practically simultaneous. There is often a slight profit due to differences in currencies or prices in countries where goods are bought from where they are sold. Say, goods are bought in India and sold in London - at a fractional difference. This is not speculation - where goods are bought and deliberately held until prices rise before they are sold. Arbitrage facilitates and helps trade; speculation hinders.

Question - If Constants can be converted into dollars at an advantage, what's to keep speculators from buying Constants?

Loomis: Nothing. That would help get Constants in use.

Question - What risk is there with Constants in arbitrage?

Loomis: Very little. If prices of some commodities fall, they are likely to rise in others in the basket, so the average is about the same. What is lost in one

will probably be gained in others. This is the advantage of having thirty commodities - which include corn, rye, wheat, oats, barley, rice oil, coal, cotton, gold, silver, copper, etc.

Question - Does Borsodi have endorsement from any prestigious economists and leaders?

Loomis: Some important economists and authors are watching the experiment. Economists in the University of New Hampshire are assisting in the computation of price indexes.

Question - If the use of Constants becomes widespread won't the government consider it a threat and try to stop it?

Loomis: Possibly, though as has been said, the Department of the Treasury has said he could issue anything people will accept. Maybe they think it is of no importance so they can ignore it or treat it facetiously. Others who see the possibility (or inevitability) of collapse of the Dollar, say that the government might adopt commodity-backed money as the official system. But banks and people should operate the money system, not the government. In case of serious government interference IFI could offer Constants from Luxembourg.

Question - Does anyone present do business in Constants?

Loomis: I have an account. I don't write many checks on it - just where the merchant knows me and accepts it and where he knows the bank will accept it.

Art Rybeck: We, are dental office, do all our business in Constants and it's quite considerable. We have had only a little inconvenience, but no serious trouble.

Question - Anything in Constants that takes the place of bills and coins?

Loomis: Borsodi sees the need of three forms of money - currency (paper money), check, and coins. He has these three forms. He has had silver coins minted with new names, one of which is a globe. Getting them minted has extended the time needed to conduct the experiment.

Question - Does the International Foundation for Independence have considerable money invested in commodities in storage?

Loomis: No. Arbitrage does not involve storage. Buying and selling the same day eliminates storage. Goods are always in transit so to speak. And if anyone turns in their Constants (claims) they get receipts to so much goods in transit which they can use in the market, like money. But arbitrage is not yet in process. They need more funds - large funds.

Question - If the Constant system can give constant value, plus interest, where is the interest generated?

Loomis: From the sale of literature and loans.

Question - Do banks holding Constants issue loans?

Loomis: Yes. Their deposits are now at a level so that they are issuing loans and debentures. For depositing and doing business in Constants, write their office in Exeter. This will assist the proper facilities and funds to test out a new and significant exchange media.

THE LIBERTARIAN PARTY POSITION

Arthur Ketchen
Chairman of the
New Hampshire Libertarian Party

I am going to devote most of the body of this paper to discussing how the Libertarian Party looks at the Henry George approach to land reform, as that is the major area of disagreement.

As to monetary reform, it seems most likely, after some problems within IFI have been solved, that the Libertarian Party of New Hampshire will endorse the Constants system of IFI-AI as a viable alternative to state owned money. The idea, also of making single individuals, instead of corporations, responsible for their actions, is also attractive to the Libertarian Party of New Hampshire.

With that stated, I wish to discuss how the modern Libertarian movement looks upon Georgist economic and political theory.

THE STATEMENT OF PRINCIPLES of the 1972 Libertarian Party Platform is based on the theory of rights developed through Herbert Spencer, Lysander Spooner, up through today, with Ayn Rand, John Hospers, Roy Childs and Murray Rothbard. Summed up concisely this theory states that the only objective base for law, government, etc., is the individual, not the will of the majority, the state, the nation, etc. Man being a creature capable of rationality, of making de-

isions as a single entity, not a member of an instinct bound species, can only act as one even when he is in a group, he alone is responsible for his actions. "There is nothing to take a man's freedom away from him, save other men. To be free, a man must be free of his brothers. That is freedom. That and nothing else." * The only function of government is to protect the freedom of man from other men's commission of force, by either the means of Rand's limited Constitutional government or Murray Rothbard's free market defense agencies.

Georgist theory differs from this in the political, as distinguished from the economic, realm. Henry George assumed, on the real enough fact that man did not create the land, that no one man owned it so therefore it belonged to all of mankind. This was a direct result of the Democratic premises he accepted. But Democracy is, at even it's "best," only dictatorship spread thin. The Totalitarian dictatorships of the Twentieth Century were all "democracies" for they governed in the "name of the people."

The approach of modern Libertarians would be thus: "If one man could not own the land, then no man could, and if no man or group of men could, then, surely, the government could do nothing about it." Because the government exists only to inhibit the commission of force by one man against another. If government, in the name of "reform" decides to use the commission of force, at any level, it itself becomes a criminal, and then it must be overthrown by men and women of reason, decency and conscience. A Single Tax, not a voluntary means of financing, but forced on other men by some individuals who considered it a good thing, would never accomplish what it set out to do. The practice of Tyranny makes tyranny.

Albert Jay Nock stated that Georgism would be as

*Ayn Rand, ANTHEM (Pamphleteers, Inc., 1946, Caldwell, Idaho: The Caxton Printers, Ltd., 1961) p. 101.

bad as any other movement if it was not grounded in complete individualism and voluntarism. It is a contradiction, anyway, since Franz Oppenheimer's THE STATE, for Georgists to entrust land reform to political measures; that is like going to Nelson Rockefeller to repeal the Federal Reserve Act.

What, then, is the correct approach to land reform and decentralization?

Town government, as presently constituted in New Hampshire, or, at least what I have seen of it, is incredibly corrupt. Towns are usually controlled by little cliques who set themselves up as Leviathan in miniature. Hollis, New Hampshire, has a group of "town fathers" who have a swampland conservation program to obtain land cheap and then turn it over to Hollis Nichols, a citizen of Hollis with the "right connections" and the townspeople pick up the bill, and the "right people" control the town via the land.

The citizens living under these regimes pay, often, through the nose in taxes, and for few or no services. The recent case of Libertarian activist Harry Mullin versus the town of Bennington, New Hampshire, is an example. And everyday the ideal of early America, the township of free citizens, declines more and more.

The program that the Libertarian Party would favor, methinks, in such a situation, is this:

A group of individuals, fed up with the town government they are existing under, decide to get together in a group and form a township. All parties to this sign a mutual contract, binding them to hold land in common, use a Single Tax, provide mutual services, etc. Then the state government, as long as the old form of "towns" still existed, would recognize them as a private company, whose individual members were responsible for their actions, but who, as a town could no longer be taxed or fined by the town government they had seceded from. The township government would have to recognize that they had jurisdiction only over those who were signatories to their contract, they could not tax anyone who did not enter into the contract (in such a situation it could no longer

be properly called a tax anyway) on the other hand, those who were not part of the township would not get its services of protection, etc.

As individuals see the need for protection, etc., I think this idea will have ready customers. But if individuals wished to secede as individuals from towns not established as contractual and wanted to provide their own services, they too, would be recognized as private companies. Men would be given a choice. I think that The School of Living and IFI are in a good position to sell the advantages of Georgism in such an opened up marketplace. For exploitation, on the political level, would be nipped in the bud. Arbitrary petty tyrannies such as those in Bennington and Hollis, would be things of the past. And the social contract would once again be brought back to the level where it is legitimate.

This approach would show the rightness of the Georgist approach to the land question if the consumers "bought" it. What needed to be done and would be done beforehand by the Libertarian Party of New Hampshire, let's say, would be the freeing of the political marketplace.

This is the position of the Libertarian Party of New Hampshire as regards land reform, which at present, is also a matter of town government reform. It is a way in which the ends and the means work together and are free from coercion. I would be glad to hear of any other approaches which satisfy the demands of both political and economic freedom as well.

COMMENTS BY MILDRED J. LOOMIS:

Our appreciation to Art Ketchen for the above paper which he was unable to present at the September conference. It shows that members of our three groups (Henry George Schools, School of Living and the Libertarian Party) agree on one central position, i.e., that "protection of natural rights to life, liberty and property, is the single basis for legalized coercion, (government)."

But does Art Ketchen see that man's first two natural rights (life and liberty, are predicated on the right of access to land?

How can a man's freedom to life be protected unless he has access to the source of life, to land?

How can a man have freedom (liberty) unless he is free to withdraw from situations (governments, groups, jobs)?

To what in the last analysis (except land) can he withdraw and survive? How can he withdraw to it if there are serious hurdles, like absentee ownership, to his access to the source of his life?

We think this puts a Q. E. D. to the proposition that "government must protect man's right to life, liberty and land." This was Henry George's profound belief. Doesn't it behove modern libertarians to carefully consider George's ingenious method for government to insure and protect the individual's equitable access to land?

The following is excerpted from a small book, PIONEERS OF LAND REFORM; Thomas Spence, William Ogilvie, Thomas Paine, by M. Beers, published by A. A. Knopf in 1920 :

TOM PAINE ON LAND AND LIBERTY

From "Agrarian Justice," written 1795 by Thomas Paine. In his preface, Tom Paine says, in part: "To the second part of my 'Age of Reason' Watson, Bishop of Landaff wrote a book entitled 'The Wisdom and Goodness of God in having made both rich and poor!

" It is wrong to say that God made Rich and Poor. He made only Male and Female; and he gave them the earth for their inheritance. . . . Instead of preaching to encourage one part of mankind in insolence it would be better that Priests used their time to make the condition of man less miserable than it is. . . . All preaching that has not this for its object is nonsense and hypocrisy. . . . The error contained in the title

of this Sermon determined me to publish my 'Agrarian Justice.' "

AGRARIAN JUSTICE

Whether that condition that is proudly, perhaps erroneously, called civilization, has most promoted or most injured the general happiness of man, is a question that may be strongly contested. On one side the spectator is dazzled by splendid appearance; on the other he is shocked by extremes of wretchedness; both of which he has created. The most affluent and the most miserable of the human race are to be found in the countries that are called civilized.

To understand what the state of society ought to be, it is necessary to have some idea of the natural and primitive state of man; such as it is at this day among the Indians of North America. There is not, in that state, any of those spectacles of human misery which poverty and want present to our eyes in all the towns and states of Europe. Poverty, therefore, is a thing created by that which is called civilized life. It exists not in the natural state. On the other hand, the natural state is without those advantages which flow from Agriculture, Arts, Sciences and Manufactures.

The life of an Indian is a continual holiday, compared with the poor of Europe; on the other hand, it appears to be abject when compared to the rich today. Civilization, therefore, or that which is so called, has operated two ways, to make one part of society more affluent and the other part more wretched than would have been the lot of either in a natural state.

It is always possible to go from the natural state to the civilized state, but it is never possible to go from the civilized to the natural. The reason is that man, in a natural state, living by hunting, requires ten times the quantity of land to range over to procure himself sustenance, than would support him in a civilized state, where the earth is cultivated. Once a state is civilized, it must preserve things in that state; without it, there would not be sustenance for

more than perhaps a tenth of its inhabitation....

Land; Common Property -

It is a position not to be controverted, that the earth, in its natural, uncultivated state, was, and ever would have continued to be the COMMON PROPERTY OF THE HUMAN RACE. In that state every man would have been born to property. He would have been a joint life-proprietor with the rest in the property of the soil, and in all its natural productions, vegetable and animal.

But the earth in its natural state is capable of supporting but a small number of inhabitants, compared with what it is capable of doing in a cultivated state. And as it is difficult to separate the improvement made by cultivation, from the earth itself, upon which that improvement is made, the idea of landed property arose from that connection.

But it is nevertheless true, that it is the value of the improvement only and not the earth itself that is individual property.

Every proprietor, therefore, of cultivated land, owes to the community a ground-rent, for I know no better term to express the idea by, for the land which he holds; and it is from this ground-rent that that fund proposed in this plan is to issue.

There could be no such things as landed property originally. Man did not make the earth, and, though he had a natural right to occupy it he had no right to locate as his property in perpetuity any part of it.... The idea of landed property began with cultivation and the difficulty of separating the improvement made by cultivation from the earth itself. The value of the improvement so far exceeded the value of the natural earth, at the time, as to absorb it. In the end, the common right of all became confounded into the cultivated right of the individual. But they are nevertheless distinct species of rights and will continue to be so as long as the world endures.

Only by tracing things to their origin, can we gain rightful ideas of them, and it by gaining such ideas that we discover the boundary that divides right

from wrong, and which teaches every man to know his own.

I have entitled this tract "Agrarian Justice" to distinguish it from Agrarian Law. Nothing could be more unjust than Agrarian Law in a country improved by cultivation. For though every man is a joint proprietor of the earth in its natural state, it does not follow that he is a joint proprietor of cultivated earth. The additional value made by cultivation became the property of those who did, or who inherited it from them, or who purchased it. It had originally an owner. Therefore while I advocate the right of all to the land, I equally defend the right of the possessor to the part (improvement) which is his.

Cultivation is one of the greatest natural improvements ever made by human invention. It has given to created earth a ten-fold value.

But the landed monopoly, that began with it, has produced the greatest evil. It has dispossessed more than half the inhabitants of every nation of their natural inheritance, without providing for them, as ought to have been done, an indemnity for that loss. Land monopoly has thereby created a species of poverty... which did not exist before.

National Fund for Re-Imbursing Persons for Loss of Natural Right to Land:

In advocating the case of persons thus dispossessed, it is a right and not a charity that I am pleading for. But it is that kind of right which, being neglected at first, could not be brought forward till heaven had opened the way by a revolution in the system of government. Let us then do honor to revolutions by justice and give currency to their principles by blessings.

I propose that a national fund be established, out of which there shall be paid to every person when arrived at the age of 21 years, the sum of 15 Pounds sterling, as a compensation in part for the loss of his or her natural inheritance by the introduction of the system of landed property; and the sum of 10

Pounds per annum during his life to every person now living at the age of 50 years, and to all others as they shall arrive at that age.

The fault is not in the present possessors of land. No complaint is intended or ought to be alleged against them, unless they adopt the crime by opposing justice. The fault is in the system. But the fault can be made to reform itself by successive generations, without deranging the property of any present possessors, and the operation can begin now.

(Note: Pages 187 to 206 are given to means and calculations by which such a fund was to be created in Thomas Paine's day. The fund was to come from a payment from all inheritance provisions, at the death of land and property holders. - MJL)

AN INTERVIEW WITH A. L. HYDEMAN

Chairman of the Pennsylvania State Community Development Commission

The Hydemans welcomed us to their attractive home and we immediately turned our attention to the land value taxation in Pennsylvania. Mr. Hydeman expressed his view and circulated a copy of a written statement which has been published in the Summer 1973 EQUAL RIGHTS; in the Fall 1973 GREEN REVOLUTION and in the May 1972 REPORTS, a journal of the Pennsylvania Department of Community Affairs. That article, entitled "Looking For Solutions To Poor Land Use And Unfair Property Tax?" reads as follows:

Many years ago Henry George first articulated the hypothesis of a single tax or a land value tax. Within the past few years a number of well-documented reports have been written which would lead one to believe that the land value tax might be a viable alternative to the property tax. I also believe it may be the beginning of a method to deal with the national land use problem.

Assessment of property in Pennsylvania is done in most instances by the county government. Assessment is most largely based on improvements on the land and very slightly on the land itself. Therefore, it places a heavy tax on past, present and future im-

provements, which has discouraged and often has prevented improvements.

A number of studies indicate that through the use of land value tax the tax burden would be more uniformly spread to all land owners, and in many instances would provide a much broader yield of taxes. A national conference held in 1968 published a report that indicated use of land value tax reduces taxes on most individually owned homes. This certainly would be desirable for it would give the home owner more disposable income for property improvements, for which, incidentally, would not be penalized with higher taxes under the land value tax.

It would exert pressure on the holders of underused land and unused land to put it to better use immediately in urban and developing areas. Communities would develop from the core out instead of the present leap frog development caused by land owners holding land near the core for speculation. Individuals or businesses would not be penalized with increasing taxes for improving their structures.

The land value tax would slow down land price inflation. This tax would be regressive to those holding land for speculation. Its imposition would tend to have land sold for development earlier at a lower price. A side effect would be to lower housing costs.

It is quite evident that an immediate imposition of the land value tax would be inequitable and unfair. However, it could be staged over a fifteen year period. It would take at least five years for the Commonwealth to develop statewide land use plans which would be used as a basis for the land value tax. On the sixth year, a tax would be levied on improvements and land on a 90% - 10% basis. Each succeeding year improvements would be taxed 10% less and the land at 10% more. By the sixteenth year the land would be taxed at a value of its highest and best use.

It is important that we find an alternative to the property tax, as presently imposed, as many communities have reached the point of no return - they cannot tax properties under the present system at a

higher rate. The land value tax would certainly give the community a broader and more equitable base from which to work.

Several expressed their welcome for this statement by Mr. Hydeman and he said he was glad to meet with so many of today's followers of the land value tax. He was not aware of the Henry George Schools and was glad to meet George Collins, Director of the Philadelphia School and his associates; and John Weaver, contributor to EQUAL RIGHTS from Pittsburg.

Mr. Hydeman was aware that both Pittsburg and Scranton had increased the taxation of land values above that of improvements, but he thought that the state law did not allow this to be extended to cities of less population, the third class cities. John Weaver assured him that the law did allow its extension and quoted Section 2631, passed June 23, 1931 and amended in 1951 and 1956, of the Third Class City code,

"Council of any city, may by ordinance, levy separate and different rates of taxation for city purposes on all real estate classified as land exclusive of buildings and on all real estate classified as buildings on land. Higher rates may be levied on land if the respective rates on lands and buildings are so fixed so as not to, in aggregate, exceed fifteen mills on both land and buildings. By majority action, council can petition the court to raise the millage to twenty mills. Passed by unanimous vote of the Pennsylvania Senate and 138 to 48 in the House. "

ONE WAY TO BETTER CITIES

Film Summary by Mildred Loomis

The film opens with a beautiful scene of both urban and rural setting, to give an overall look at our great country. George Romney, Secretary of the Department of Housing and Urban Development, at the time, introduces the film by stating that the property tax is a powerful economic force and that as now, mistakenly, used, is a principle cause of the housing and financial disorders in our cities.

Then the film shows scene after scene of urban decay; tumble-down houses, unsightly tenements, back alleys, garbage heaps, children trying to play on crowded streets. Along with this are flashes of towering skyscrapers, beautiful mansions and luxurious living, in the same cities.

Dr. Robert Hutchins of the Center for the Study of Democratic Institutions, is heard saying, "The property tax as now used encourages urban decay, suburban sprawl and land speculation." An owner lets his building decline because he is taxed (penalized) when he improves it."

Eugene V. Rostow, political scientist, says that due to the property tax as now used, the resulting movement of business out of urban centers means waste of public funds in premature roads, sewers, fire and police protection, houses, schools, electric, gas and water utilities.

A broadside of tenements brings a caption, "Every tenth family in the nation lives in dwellings unfit for human habitation."

Important persons interpreting and explaining points in the film include Gene Bower, president of the Southwest Forest Industries; C. Lowell Harris, professor of economics, Columbia University; Dr. Dick Netzer, dean of public administration, New York University; Dr. Mason Gaffney, professor of economics, University of Wisconsin in Milwaukee; Jim Clarkson, former mayor of Southfield, Michigan; Robert W. Jones, vice-president of Winston-Burnett Construction Company.

Dr. Robert Hutchins is seen at the end, closing with, "To survive the crisis posed by our cities, we could remove the tax from improvements and put it on land. In this way, each man would put his land to good use; each would pay his fair share of what the community was doing for him and would not be punished for what he was doing for the community."

The film ONE WAY TO BETTER CITIES is available free from the Schalkenbach Foundation located at 50 E. 69th Street, New York City. They provide literature to accompany it including an excellent reading list and references to articles in recent journals. A discussion guide for the film is also available. The Schalkenbach Foundation also has an illustrated thirty-two page pamphlet, "This Is Our Land," republished from the August, 1960 HOUSE AND HOME MAGAZINE. Perry I Prentice, former editor and publisher of HOUSE AND HOME MAGAZINE has become a leading advocate of land-value taxation and Chairman of the Schalkenbach Foundation.

ACTIVITY LIST FOR THE FUTURE

The discussion Sunday evening on "What Can We Do?" which continued on Monday morning, recorded the following suggestions as to action on various levels:

I. Education

A) Schools

- 1-Locate and be part of existing Henry George Schools, headquartered at 50 E. 69th St, NYC.
- 2-Encourage extension of H.G. Schools to other cities.
- 3-Enroll in free correspondence course from H.G. Institute, Robert Clancy, 33-53 82nd St, Jackson Hghts., Long Island, NY.
- 4- Encourage adult study course in your locality; secure teacher study guide from H.G. Sch. NYC.
- 5-Locate and be part of the existing Schools of Living:
Tim Ryan, Rte. 3, Apex, N.C.
Ken Kern, Oakhurst, Calif.
Richard Fairfield, Sch of Liv West, 442½ Landfair Street, Los Angeles, CA
International Institute of Independence, West Rd., Ashby, Mass.
International Foundation for Independence, 24 Front Street, Exeter, NH.
- 6-Attend seminars at Heathcote Sch of Liv.
- 7-Attend and form seminars in major problems of living in your community.
- 8-Prepare and distribute study-guide for leaders in major problems of living.
- 9-Encourage courses in Universities and high schools in Henry George economics (Harry Pollard of Tujunga, CA has started such courses in many high schools with hundreds of graduates.)
- 10-Encourage Universities to set up courses in Major Problems of Living (Dr. R. Dewey, Univ of NH and Dr. Gordon Lameyer, Bradford Jr. College, Mass have done this)

B) Publications

- 1-Read and support Henry George publications:
Henry George News, 50 E 69th St, NYC
The Gargoyle, 50 Washington Terrace, Newark, NJ
Henry George Institute Journal, 462A, 55 W 42nd, NYC
The Analyst, 833 Market St, San Francisco, CA
Equal Rights, 336 Fourth Ave., Pittsburg, PA.
- 2-Read and support School of Living publications,
The Green Revolution, 442½ Landfair, Los Angeles CA

C) Books and Literature

- 1-Buy and read books by Henry George and Georgist writers.
- 2-Buy and read books by Ralph Borsodi, Mildred Loomis and other School of Living authors; purchase the printed proceedings of Sch of Liv Conferences including Humanizing Our Future, edited by R. Bruce Allison.

D) Writing

- 1-write articles and features on land and money reform.
- 2-write letters to newspapers and magazine editors on these matters.
- 3-correspond with conference members on follow up

II. Direct Economic Action

A) Constant Currency

- 1-Make a deposit with IFI in Exeter.
- 2-Encourage others to use it.
- 3-Talk to your merchants and bankers about its use.

B) Land Trust

- 1-Encourage friends to study and form a land trust.
- 2-Make contact with a land trust in your area.
- 3-Study literature from III, Ashby Mass.

III. Political Action

- A) Ask your local mayor, councilmen, county commissioners, state and national officials to study and use land value taxation instead of taxing improvements.

- B) Give them a ten-page condensation of Progress and Poverty; ten cents each when ten or more ordered from the Schalkenbach Fund, 50 E 69th, NYC.
- C) Work for proclamations, state and city, from governors and mayors to proclaim September 2, Henry George Day in honor of a great American (Governor Dan Walker of Illinois and Mayor Richard Daley of Chicago do this annually)
- D) Keep in touch with local Libertarian Party.
- E) Work for land and money reform planks on party platforms.

IV. Conferences and Meetings

- A) Attend national and international conferences of Henry George Schools.
- B) Attend regional School of Living Conferences.
- C) Plan a repeat of this joint Georgist and School of Living Conference in 1974.
- D) Volunteer to publicize and assist such conferences.
Tentative schedule - Florida; February 74
New England; June 74
Chapel Hill, NC; October 74
California; February 74

Special Note: Will you please consider carefully where you would like to take action among the above suggestions (and others) and report to me what happens; problems encountered and successes achieved.

If you would like to work with others, perhaps the accompanying list of attendants at this conference will supply an associate.

Mildred Loomis
The School of Living
Freeland, MD 21053

CONFERENCE ATTENDEES

Lucia Cipollone; 1002 W Lindley Ave, Phila, PA 19141
 Penny Colgan; 2306 Cherry Lane, Arden, DE 19810
 George Collins; 413 S 10th, Phila, PA 19147
 Kevin Costigan; Sch of Liv, Freeland, MD 21053
 Mike Curtis; Green Ln, Arden, DE 19810
 Spence and Lynn Dickin son; Oxbow, Chapel Hill, NC
 James Emery; New Park, PA
 M/M Ozro Everding; 7272 W 3rd, Dayton, Ohio 45427
 Doris Farlow; Rt 3, Brookville, OH 45309
 Mark Frazier; 625027 E Capitol, Wash DC 20007
 Beth Furbush; 1230 28th, Wash DC 20007
 William M. Gatton; 9 May Ave, Pinkerton Ct, Towson MD
 Paul Griffen; 85 Parkville Ave, Brooklyn, NY 12300
 Geoffrey Hart; 120 E Bristol, Feasterville, PA 19047
 Julian P Hickock; 315 Zeralda, Phila, PA 19144
 Kathy Hogue; Sch of Liv, Freeland MD 21053
 Willis and Lucile Hunting; Sch of Liv, Freeland, MD
 Art Ketchen; 3 Proctor Hill, Hollis, NH
 Evan Lefever; Rt 2, Berkeley Springs, WV 25411
 M/M HR Lefever; Rt 1, Spring Grove PA 17362
 John Levin; Sch of Liv, Freeland MD 21053
 Mildred Loomis; Sch of Liv, Freeland MD 21053
 Clayton Loughran; 1124 Newcomb Way, Balt, MD 21205
 Anna Mullen; Sch of Liv, Freeland, MD 21053
 Florence Newbauer; Rt 3 Box 224, Brookville OH 45309
 Jim Rice; RFD 3, Apex, NC
 Bob Rothberg; Sch of Liv, Freeland, MD 21053
 Sharon Ryan; Goodheart Farm, WV 25411
 Tim Ryan and Barbara; Rt 3, Apex, NC
 Dr. Art Rybeck; 16 Birch Ave, Wheeling, WV 26003
 Walter Rybeck; 10615 Brunswick Ave, Kensington MD
 Loa Saltzgeber; Sch of Liv, Freeland, MD 21053
 Bill Schepkter; New Dawn Farm, Tridelfia, WV
 James Taylor; 1230 28th, N.W. Washington DC 20007
 Martin Tilton; Goodheart Farm, WV
 Carl Shaw; 1635 Walker Dr, Fort Mead, MD 20755
 Paul Wade; Oxbow Rt 2, Chapel Hill, NC 27514
 John C. Weaver; 5300 Fifth Ave, Pittsburg PA 15232
 Bruce Williams; 1021 Gayer Dr, #207, Glen Burnie MD

"The holiest study is not science, not art, not philosophy, not religion, but the study of the truth about how to live, how to treat our fellow men, and how to use what has been entrusted to us like decent and honest, sensitive and concerned, cultivated and considerate human beings."

Ralph Borsodi, from
SEVENTEEN PROBLEMS OF MAN

"The Truth that I have tried to make clear will not find easy acceptance. If that could be, it would have been accepted long ago. If that could be, it would never have been obscured. But it will find friends - those who will toil for it; suffer for it; if need be, die for it. This is the power of Truth."

Henry George, from
PROGRESS AND POVERTY