PASS THE WORD ALONG

Henry George FELLOWSHIP NEWS

W. C. F. L. SATURDAYS 6:00 P. M.

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1936 AUTUMN CLASSES SCHEDULED

LISTINGS

Mondays, 7:30 P.M. Opening date September 14, at 11 South La Salle Street, Room #1415. Instructor: Mr. Maurice Welty.

Tuesdays, 8:00 P.M. Opening date September 15, at Austin Y.M.C.A., 501 North Central Avenue. Instructor: Mr. Myron Goldenberg.

Wednesdays, 8:00 P.M. Opening date September 16, at Lincoln-Belmont Y.M.C.A., 3333 North Marshfield Avenue. Instructor: Mr. George T. Tideman.

Thursdays, 7:00 P.M. Opening date September 17, at 30 North La Salle Street, Room #909. Instructor: Mr. Henry L. T. Tideman.

Fridays, 7:30 P.M. Opening date September 18, at 30 North La Salle Street, Room #909. Instructor: Mr. Willis Shipley.

The classes listed have been definitely arranged. May we now call on our loyal friends to do everything possible to help to secure a large enrollment of interested students.

The pleasure you found in taking this course of study should be your assurance that your friends will remember gratefully that you interested them in this most entertaining field of knowledge.

Need we remind any of our "alumni" of their understanding of the fundamental antagonisms in modern society which cause some people to be involuntarily poor, while aristocracies grow and fatten upon them? Need any be reminded that wars grow out of the international antagonisms arising from the competition of rivals seeking to invest their unearned incomes in the "business" of levying toll in foreign lands?

NOTE:--Other classes previously announced for Chicago have had to be postponed for the present due to circumstances beyond our immediate control.

SPECIAL. Teachers' Prep Class. Wednesday, 7:30 P.M. Opening date September 9, at 30 North La Salle St., Room #909. Instructor: Mr. Maurice Welty.

This teachers' prep class is intended to be one suited to the development of teachers for the School and to give others who wish it an opportunity for a review of their previous work.

SUCCESS MARKS PICNIC

On the afternoon of Saturday July 25, the first Fellowship picnic started from the steps of the Field Museum and blazed a trail to Johnson's Beach, which is just next door to the Indiana Dunes Park. In the five cars which started in the early afternoon were Miss Loueva Foote, Dr. and Mrs. Sheldon Peck, Mr. and Mrs. Henry H. Hardinge, Mrs. Dora Welty, Misses Esther Davis, Belle Squire, Mr. and Mrs. George Moyland, Messrs. William Branz, Haberline, George Tideman and E. H. Vance. Arriving after the Henry George School of the Air broadcast were Misses Betty Feldbein, Annabelle Greene, Mrs. Greenberg, Lillian Tideman. (Editor's note: The reporter left out some names, but did the best he could.)

The picnickners were cordially received by two warm friends of the Henry George movement: Mr. and Mrs. Walter Peterson. With their dunes cottage, charmingly located on a high sand bluff on the shore of Lake Michigan, as headquarters, ye picnickers changed to bathing suits in a trice becoming water nymphs and sun seekers. After lunching there was a hike to a point of vantage to watch the sun set and to rest and chat. When darkness had fallen a bonfire was started on the beach, blankets and robes were spread, hot dogs and marshmallows roasted.

Credit is due Miss Foote for her leadership of the picnic and management of details. Miss Davis very thoughtfully supplied roasting forks. Everyone cooperated in having a good time.

--G-H-M.

BROADCAST

The broadcast over W C F L continues. Featured as the Henry George School of the Air is a class room with various types of students. Included in the group is a humorless communist, an irritable Democrat, a big Swede, an Italian immigrant business man eager to learn, a lady bank clerk, a five and ten cent store clerk, a very nice looking girl venturing into the intellectual world, a young man looking for a job and some others; and of course the class has a teacher, one who has no belief that people can be told anything.

Sam Levin writes a seven page script each

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AUGUST MEETING

The Fellowship meeting in the Washington Cafeteria on the 11th had a splendid attendance despite of its occurrence in the midst of the vacation season. Both Mr. Hillman and Mr. Bardon, our genial chief officers being absent, the meeting was organized by electing Mr. George Moyland to the chairmanship.

Those who had attended the outing at the Dunes were all in favor of another party, and much discussion ensued; which ended by placing the matter quite properly in the hands of the social committee.

The "question box" being opened, attention was at first directed to replies to questions given out at the July meeting; during which period, in answering the question: "what is the Pittsburgh graded tax plan?" Miss Betty Feldbein arose with a well prepared reply which will be found reproduced in this issue.

Mr. Arthur Schreiber responding to a question on the tariff, speaking extemporaneously, gave a most clear, understandable and convincing statement showing the unscientific nature of the protective tariff policy; comparing it with the tariff for revenue system and closing with a statement of the possibilities of the free trade principle. Showing that free trade is a method of increasing the effectiveness of labor, he indicated, that unless the land question be solved, the benefits of free trade are likely to be very largely absorbed in the expected rise in land values.

CELEBRATION

Although as an announcement in this issue the news will be late, still the fact deserves notice: invitations have been issued by the Single Tax League to all its members, their friends and the Henry George Fellowship to attend a dinner in commemoration of the anniversary of Henry George on September second, in the Triangle Restaurant, 225 South Wabash Avenue.

A fine program has been arranged, over which Wallace G. McCauley will preside as toastmaster. Willis Shipley and Victor Verby will speak for the Henry George School of Social Science and the Fellowship. Speaking for the Single Tax League will be Henry H. Hardinge, Victor A. Rule, J. Edward Jones and John Z. White.

BROADCAST -- Concluded

(Continued from page 1)

week, and then directs the practice reading. He deserves an emphatic citation for industry. Added to the cast are Annabelle Greene and Dominic DeRose. Henry Tideman going on vacation, J. Edward Jones has agreed to take his part as the instructor. Watch! - well, alright, alright then, listen for the new voice.

Also, surely there are many of our members who would like to take part in these broadcasts. Those who do, should communicate with Sam Levin, 640 North Wabash Avenue.

The broadcast goes "on the air" at 6:00 o'clock every Saturday evening. You can do much good by calling the attention of your friends to it and have them send in a note of appreciation if they like it or a suggestion if that seems more appropriate. Address W C F L, Chicago, Ill.

FABLE OF MODERN TIMES

The Man from Mars fixed his steady glance on the human being.

"Tell me, my dear friend and human being," he remarked, "what is the name of this river flowing through your city?"

"That's the Chicago River" replied the human being, "and we are very proud of it."

"And why are you proud of it?" queried the Martian.

"Because it's one of the few rivers in the world - pardon me, on the Earth - that flows in two directions."

"Oh, just like our canals on Mars, which we control at will?"

"Yes; and believe me, it was expensive, putting in all those improvements."

The Man from Mars nodded gravely. "All useful work is painful," he remarked, "but tell me, my dear human, these jackknife bridges, no doubt they are expensive?" "I ask these questions so as to benefit my fellow-Martians when I return."

"Believe me, oh Man from Mars, they certainly were. Very high priced. Wonderful construction job!"

"Of course you are getting full value in return for all the great investments on your river," said the Man from Mars; "no doubt you use this river a great deal?"

The human being looked a bit sheepish.

"To tell the truth," he answered, "we don't really use the river much these days."

"But why not, my good human being?"

"Well, you see, we have the railroads now."

"Oh, of course! And railway traffic is much cheaper than water traffic."

"We-ell, no. It's higher. It's a good deal higher."

"But you are speaking absurdities, my human friend. And look here, what is this boulevard alongside this river?".

"That's - that's Wacker Drive. Its a famous....."

"But alongside a river! You human beings are very strange. On one side of a river, you place railroad tracks; on the other side a boulevard! On neither side do I see wharves, docks, shipping facilities. These cannot be placed elsewhere; boulevards and rails can."

"But can we help it," cried the wretched human, "if the railroads buy up our waterfronts?"

"Most assuredly you can. I fear we Martians can learn but little from you humans. Good-bye!"

Whereupon, spreading his wings, he flew away.

—S.M.L.

SINGLE TAX LEAGUE MEETINGS

The Single Tax League meets every Friday evening in the Washington Cafeteria, 167 West Washington Street (between LaSalle and Wells Streets). The meetings open at 8:00 o'clock.

Those who wish to dine with their friends before the meeting should come a good bit before 7:30 because the Cafeteria service closes at that time.

The League brings before it many kinds of lecturers; but the feature of the meetings is an opportunity offered to the members of the audience to take a "speaking part" in the forum after the lecture is over.

Admission to the meetings is free.

Henry George

FELLOWSHIP NEWS

"Right Action Will Follow Right Thought"

Editorial Office
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Address all communications to
Nathan Hillman, Editor

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of each month.

SEPTEMBER SECOND

Each passing month is occasion for anniversary observance of great events contributing to the evolution of freedom. Were it proposed that we should celebrate appropriately all such opportunities, one might incline to question whether there would be time for the work necessary to supply our wants.

Among the folks who feel a debt to Henry George, the date: September Second has a special meaning; it being the anniversary of his birth.

One cannot help but feel a special sense of the appropriate in the fact that the birth place of the great American philosopher of freedom should be within a few minutes walk of the old statehouse in Philadelphia in which the Declaration of Independence was given to the world.

To those members of the Fellowship who but recently have become familiar with Progress and Poverty; we recommend becoming familiar with his life. At least two good biographies are to be had: one entitled "The Life of Henry George", by his son Henry George Jr., and the other, named "The Prophet of San Francisco", by Louis F. Post. Both are excellent; the first being a factual biography and the second, one great man's interpretation of another.

—H. L. T. T.

SPECULATION

One of the hard things to understand is how land speculation destroys the prosperity of people who are not speculating. The question came up in a social gathering in which a lady said; "but these home owners were not speculating, they were buying homes, and the other people who lost their money when the banks closed were not speculating. Yet when the banks closed their money disappeared. How can you say speculation ruined them?" Let us see.

Bill Whosis was a bright young man. An opportunity came to him to buy a lot having possibility of increasing in value. He made a

PITTSBURGH GRADED TAX

Betty Feldbein

The Pittsburgh graded tax law was enacted in 1913 and began to function January 1,1914. The law provided for the partial exemption from taxation of improvements upon real estate, with the rate of exemption increasing at each triennial assessment. This partial exemption has been effected by fixing from year to year a lesser tax rate on buildings than that levied upon land. Thus, the tax reduction on buildings as compared with land was 10% for the years 1914 and 1915 and an additional 10% every third year until the millage on buildings became 50% of that charged on land.

This consummation occurred in 1925. This law was enacted through the influence of Mayor Wm. A. Magee in his first term.

The Pittsburgh graded tax law does not involve any discrimination in treatment of land and buildings insofar as appraising the value for taxation purposes is concerned. It is entirely a matter of fixing separate tax rates.

The entire tax revenue for municipal purposes is derived from taxes upon real estate. There are no taxes levied by the city government on any form of property or income. There is no loss of revenue through the graded tax, also no savings to the community as a whole. This law has no effect upon revenues or expenditures but merely brings about a difference in the sources of revenue. Its effect is upon the respective tax rates on land and buildings which are fixed annually by the city council at such figures as will produce the sum estimated as necessary to meet the expenditures set forth in the budget.

Contrary to the opinions of many people, the Pittsburgh graded tax plan is not the single tax, but is closely related to it.

The effect of the graded tax plan has been to stimulate building and prevent land inflation. During the years 1914-1920 building permits in Pittsburgh per 1000 of increased population were 25% over New York City, 66% over Philadelphia and 186 over Detroit. During the years 1922-23-24 there was new construction in Pittsburgh of over one hundred million dollars, a record never before equalled in the history of that city. The Pittsburgh Civic Commission in 1912 contended that high land prices and high land rents were the chief obstacles to Pittsburgh's progress and a survey at that time indicated that the average value of land per acre in Pittsburgh as shown by assessments was second only to that in New York City. Although there is no proof, it seems certain that the graded tax law has had a tendency toward lower land prices because land speculation is no longer profitable.

While there has been some dissention regarding the effect of the law on building and land prices, there is positive proof that the law has lowered taxes. Two of the largest downtown office buildings show savings for 1925 of 10% and 15%, respectively, in each instance savings were in excess of $7000.00. Two of the newly erected apartment buildings show savings of 27% and 33%, respectively, on one case actual savings being over $10,000.00. On the other hand, a number of manufacturing plants and department

PITTSBURGH GRADED TAX--Concluded

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stores occupying valuable land do not show any benefits in lower taxes, but this is offset by savings due to freedom from taxes on machinery and on personal property. The chief direct beneficiary is the home owner. For example, in the 13th ward in 1925, out of 4252 cases, there were 3250 cases where the taxes were less under the new plan. Of the remaining 1002 where the taxes were higher under the new system, 980 are vacant lots. The other 22 have not had sufficient improvements to warrant tax reductions. In 1925 the city building tax rate was 35% less than under the old flat rate system.

The Pittsburgh graded tax plan has been approved by leading firms, such as H. J. Heinz Co. and Westinghouse Electric & Mfg. Co., and endorsed by the Pittsburgh Real Estate Board. The new plan which is being propounded is to amend the law to reduce buildings and improvements on land to 1% of the amount levied on land.

SPECULATION--Concluded

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small payment down and signed a contract to pay the rest in installments. Later, the lot having increased in value, he was able to borrow enough money on it to pay out the contract and make a down payment on another lot which also promised to increase in value. Now there was a real estate morgage on a valuable lot which was known to have doubled or tripled in value in the last few years. The man who had the mortgage borrowed money placing the mortgage as security. There were now two sets of debts in the community on account of that original lot purchase. The mortgage was part of the securities in a bank. But Bill Whosis was not alone in the land speculation business. There were thousands more doing the same thing.

While all this was going on, legitimate business men had to borrow occasionally to pay a bill or meet a payroll, because laborers cannot wait for slow bill payers to settle up, or because other business men have payrolls too. The more successful business men had investments in "real estate" or real estate mortgages, or the bonds of other industries or the stock of these concerns. And so, as a result of their borrowings, a great variety of papers representing different kinds of value piled up in the bank vaults.

While this was going on, Bill Whosis and his competitors for the purchase of what seemed desirable investments, as cagily as possible of course, were boosting the price of lots by their attitude as investors, as well as by the impractical prices they were asking for such lots as they already held.

The assests of some of the big industrial corporations being principally land, the value of which was seemingly increasing, caused their stocks and their bonds to be saleable at absurdly high prices. The people speculating in these papers did not know it, but that lack of knowledge did not prevent them from being land speculators. Land value was the principal value in those investments. With the passage of some time, the high prices that people were willing to pay for "real estate" was taken as evidence of prosperity when it should have been a warning.

At this point we will leave out several paragraphs of a sad story.

There came a day when a lot of people awoke to the fact that a lot of banks had been closed and that their depositors money was not available. No one could question the honesty of the bankers; they had not run away with the money. Oh, there were individuals, yes, but in the main, they were a fine lot of merely not so smart human beings, like the rest of us.

So committees were appointed to examine the closed banks. What was the verdict? The bank was loaded up with "frozen" assets. What were "frozen" assets? They were pieces of "real estate" which could not be quickly sold for the amount of the loan. Was the loan excessive? It was not excessive at the time it was made. It probably was "very conservative" and the borrower had fairly "signed his life away" for the protection of the bank, but as conditions were on the day after the crash, everybody could see it was excessive then. So, too, they found a lot of mortgages that few could and no one would buy, to say nothing of a lot of commercial paper which might have been good except that the failure of the bank itself prevented the commercial paper from being cleared.

So the lady was right: "those home owners were not speculating, and the other people who lost their money when the banks closed were not speculating". But they were the victims of speculation. Such is the economy of nature.

If land speculation hurt only those speculating, it would perhaps be well to ignore it. But the fact is that to encourage land speculation, as our law does, is like encouraging people to cook in an explosive plant.

—H. L. T. T.

EXCERPTS

And to shift the burden of taxation from production and exchange to the value or rent of land would not merely to give new stimulous to the production of wealth; it would be to open new opportunities. For under this system no one would care to hold land unless to use it, and land now withheld from use would everywhere be thrown open to improvement.

Progress and Poverty

Mental power,..... is the motor of progress, and men tend to advance in proportion to the mental power expended in progression - the mental power which is devoted to the extension of knowledge, the improvement of methods, and the betterment of social conditions.

Progress and Poverty

Man is social in his nature. He does not require to be caught and tamed in order to induce him to live with his fellows.

Progress and Poverty

PLANOGRAPHED BY JOHN S. SWIFT CO., INC. CHICAGO, ST. LOUIS, NEW YORK, INDIANAPOLIS