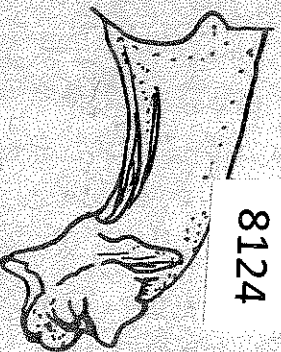


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HENRY GEORGE SCHOOL OF NEW JERSEY

No. 31

A P R I L 1 9 5 9

THE DEAN THINKSThe Fallacy Of The Omnipotence
of Democracy.

The authors of the Declaration of Independence and of our Constitution gave expression to a new philosophy which was then prevalent among thinkers of that age. Hobbes and Locke had laid the groundwork for the growing conception of the dignity of man, that man had inalienable rights which were not derived from a sovereign or state. These words, expressive of the new thought, became the gift to succeeding generations in the two documents above referred to.

The thought which motivated our venerated charters of liberty was that no society, no state, can be other than the totality of all its members. Its members are human beings, each with his own feeling of importance, with his own destiny to be achieved, each with his strength and frailties, his ability to add to or detract from the well-being of himself and all others in his society. Society or a state has no independent autonomous will of its own but must operate, decide and be judged by the actions of its human components.

Before the era of the latter eighteenth century, the doctrine of the Divine Right of Kings prevailed. The divinity or the omnipotence of the ruler or ruling class was an accepted mode of life and thought. With few exceptions, men accepted their status, their lot in life and their submission and obedience to the will of the rulers.

Some rulers were despots, others were benevolent dictators. The lot of the subjects depended upon the nature, the education and the philosophical conclusions of the monarch and his aides.

Aided by the philosophical-religious concept of the Fatherhood of God and the Brotherhood of Man, Hobbes, Locke and other thinkers discarded the Divine Right of Kings, conceived of the dignity of Man, his inalienable right to life and freedom, and, as a corollary to life and freedom, the right to that which he produces, the right of property.

In trying to implement this revolutionary thought in this new nation, which, dissatisfied with the ministrations of a monarch and a Parliament far distant from these shores, the leaders of the emancipated colonists tried to devise a permanent form of government which would forever

guaranty its subjects against the encroachment of tyranny and the loss of individual rights and dignity.

In so doing, they conceived that, to insure that the government, the state, would not arrogate to itself the power to deprive its subjects of their rights, they established a republican form of government in which, with carefully defined and limited powers, the people would elect their own representatives who, in solemn and deliberate concert, would rule and govern within prescribed limitations.

If these representatives failed in their allotted tasks or if the people were dissatisfied, periodically those in power could be defeated in a new election and new representatives would succeed them.

The rule to determine who should represent a constituency was determined by a majority vote. This idea of the superiority of the majority was not new. It had its prototype in ancient Greece. In fact, the name by which it is known "democracy" derived from the Greek prototype.

That the republican form of government, (elected representatives of the people) chosen by democratic method (by vote of the majority) has succeeded in this country is self-evident. That a large part of the success is attributable to the severe limitations placed upon the actions, the decisions, the rule of the incumbents in office of our governments, national and state, is not universally recognized.

The form, rather than the content of our infant governments, is credited with the growth and the well-being of our expanding economy and culture.

The word, the thought, the concept of democracy is enshrined in the minds of many as the answer to most of Man's problems. Much has been said and written concerning the fact that vox populi, the voice of the people, whether it be actually the voice of God, is in any case just as good or better. Yes-the popular saying "If thy million people can't be wrong" is the accepted "axiom" of popular thought.

In the early days of our republic, the town meeting achieved usefulness and renown. All responsible voters gathered together, voiced and argued their opinions and then decided and legislated by "will of the majority". To this decision by the majority, the defeated minority acquiesced and, in many cases, though dis-

appointed, believed that they must be wrong since the majority of their fellows believed and voted otherwise.

Yes, even in so far as the limitations of our constitution is concerned, the so-called "flexible" or "liberal" view of many serious students of human affairs is that the tenor of the times, the changing opinion of a majority of our people should be determinant of the interpretation of our safeguards of liberty and freedom. The will of the majority must prevail!

But this means, at the same time, that the will of the minority must succumb, that if the majority so determine and interpret our cornerstone of human liberty, the Constitution, that even the rights of the minority must be subordinated.

How far can we trust the will of the majority? If smallpox were to break out in a community, would it be wise to call a Town Meeting and to decide the proper measures to be taken? It must be apparently absurd to decide the efficacy of sulfa drugs by popular vote. But to submit the question as to whether we want to use either sulfa drugs or other social remedies after their nature and efficacy are known, may properly be settled by popular vote. Just such a decision has been submitted and decided in some communities regarding fluoridation of drinking water.

The distinction between scientific authority and popular will in human relations today is a source of difficulty. The confusion is largely responsible for the failure to develop adequate scientific guidance in social and in physical matters.

This is quite evident in the economic field. The will of the majority, lacking or not seeking adequate scientific knowledge or advice, believe that "full-employment" is a desired goal and since, under present conditions, it is not always achieved, the majority, through their elected representatives, conceived that it is a proper function of our national government to achieve this goal. So, for more than a decade, we have a Congressional law making "full-employment" a national objective, with power to implement this law by creating public works, by subsidies and other means. What the people have decided and done is, in effect, that through taxation the property of some has been taken and bestowed by government on others.

The concept that if the majority deem it a social "good", the property and by its means, the life of any subject, is not inviolate as our framing fathers envisioned. If this idea of the inviolability of the majority shall continue to grow, then liberty, freedom, well-being and growth may be eroded.

And this is democracy. In the name of this idea, the Soviets have established so-called "People's Republics", which in concept but not in practice enforce the will of the majority, even killing those of the minority who oppose them.

Let us realize that an uninformed or misinformed majority, if their will shall prevail, may be more harmful to the continued freedom and growth of a social system and its people than an insidious tyrant. Let us return to our original concept of a government, restrained and restricted from encroaching on the freedom of its subjects with servants elected by the people by majority vote.

And let us realize that an enlightened and effective electorate can be achieved only if the scientific findings of our age, in the physical as well as the social sciences, be available to and be considered by the voters.

Science, then, is the hope of those who prize life and freedom. The knowledge of the science of economics (and other social sciences) is emerging from infancy. When its natural laws become known to greater numbers, the "will of the majority" will not seek to accomplish the impossible, to enact man-made laws which are contrary to natural laws. No more so than a present-day legislature would seek to repeal the "Law of Gravity."

A. M. Goldfinger

A C T I V I T I E S

Readers of THE CARBOYLE invited -
Friday, April 3rd 8 pm - Informal Reception at School Headquarters

Week of April 13th - Fundamental Classes
6 and 8 p.m. See attached.

Tuesday April 7th 8 pm - Advanced Course
Sunday, June 7th HGS Picnic - Caliform

July 9 - 12th Annual Conference - HGS
Schools at Rutgers.

"FUN IN NEW JERSEY"

Of course the out of State readers of THE CARBOYLE are going to spend their vacation this year in the Garden State. They will be here specifically to attend the 15th Annual Conference of the school at Rutgers, the State University.

While in New Jersey, they will have fun before and after the conference - some suggestions:

Visit Sea Shore Resorts; Lakes, State Parks, Historical Points of Interest, enjoy sports: Golf, Tennis, Swimming, Water Skiing, Horseback Riding, Fishing, Hiking, Camping, Horse Racing (4 big tracks) See scenery such as Delaware Water Gap, Atlantic Highlands, Barnaget Light, Appalachian Trail.

A beautifully illustrated brochure - "Vacation Guide to Fun in New Jersey" may be seen at your local Henry George School office, or you may obtain a free copy as well as specific information by writing to: New Jersey State Promotion Section, Division of Planning and Development, Department of Conservation and Economic Development, 520 East State Street, Trenton 7, N.J.

LAND VALUE TAXATION VS AUCTION

In order to collect economic rent with as little inconvenience as possible to the existing order, Henry George advocated the taxation of land values to take all of the rent with the exception of a small percentage which the land owners could keep as compensation for serving as rent collectors.

George himself, recognized the correct method for he said "We should satisfy the law of justice, we should meet all economic requirements, by at one stroke abolishing all private titles, declaring all land public property, and letting it out to the highest bidders in lots to suit, under such conditions as would sacredly guard the private right to such improvement."

But he goes on to say that "such a plan, though perfectly feasible, does not seem to me the best."...To do that would involve a needless shock to present customs and habits of thought--which is to be avoided."

Thus, he comes up with his famous solution, of taxing land values. This was unfortunate as it set into being a whole train of errors and problems which exist to this day, of which the fact that his solution was quickly tagged the "Single Tax" is a clue.

George was giving to mankind a philosophy of freedom-a philosophy which could help-release man from the bondage of the ages so that the truly divine characteristics within him would have the freedom to reach greatest heights attainable. And this revolutionary philosophy is labeled just another tax measure! And why? Because he adopted an expedient.

That is the trouble with expedients. They becloud the principles. Had he followed the road he set forth of auctioning the land, he would never have been forced into rationalizations, such as the canons of taxation. Expedients call for rationalization for human beings are such that since expedients are not just, they must always be justified.

To justify his expedient he built up a straw man called the canons of taxation, in which he elaborates quite extensively on the conditions to which taxes must conform in order to be proper. But, of course, there is nothing fair about taxes. Taxation is that part of the revenue of the State which is obtained by compulsory dues and charges upon its subjects", so says the Encyclopedia Britannica. That is a polite way of saying that taxation is robbery. That's all it is, pure and simple. As such, there are no canons of taxation as there are no canons of robbery.

The nature of the world in which we live is such that means determine the end. If you adopt incorrect means, you wind up with the wrong answer. If you travel the primrose path you arrive at a hellish destination, not a heavenly one. Taxing land values has not resulted in the end George sought. It simply could not. Because the means are immoral, the result is little better. In the middle east, the Sheiks acquire about 50% of the economic rent of the oil wells through a system of taxation. It hasn't solved the problems of poverty in those lands, nor given to the people their freedom. It couldn't even if the Sheiks got 100% of the rent. It would largely wind up in more luxurious living for the fatted calves who constitute the States in that area. As the means are wrong, the end is wrong.

This points up to the fact that the moral aspect has been obscured. Human slavery was denounced out of hand as immoral and unjust. No rationalizations were tolerated such as taxing slave owners for the full amount of wages which they stole from the slaves, less the cost of superintendence. Had any such considerations been seriously advanced, the whole issue of its injustice and immorality might have been beclouded in a wearisome round of arguments on economic considerations.

In addition, the taxation of land values constitutes an acknowledgment of the sovereignty of the State over the land. It constitutes an implicit acknowledgment that the State must collect economic rent, as opposed to the individualist's view that he is merely paying for the privilege of the exclusive use of a piece of land to which all the rest of the peoples of the world have an equal claim. The land belongs to the people--not the State. This is an important distinction which becomes clearer when one studies the State.

Many practical problems arise. For instance, to tax land values, bureaucrats must be appointed to determine valuations. But value in an objective sense can only be determined in the market-place. Any determinations by bureaucrats are largely arbitrary. The accuracy of their appraisals is measured by the selling prices of land in the particular area in question--in short in the market place. But if more than 100% of the economic rent is collected, there will be no sales of land, and presumably no means of knowing how accurate the determinations are. This, of course, ignores the whole problem of "value" as a psychological manifestation which exists in men's minds.

(Continued next page.)

NOTE

The opinions expressed in articles in THE GARGOYLE are those of the writers and not necessarily endorsed by The Henry George School.

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Although George's purpose was to use the existing machinery of government and prevent any needless extension of it, by nature of his solution a whole bureaucracy must be maintained for constant appraisals and re-appraisals.

If, instead of taxing land values, the land is put up for auction by the local communities at convenient periodic intervals of three, five or more years as is determined thru trial and error is best, we have the simplest possible practical machinery involved. Those presently occupying the land will probably offer the same rent they've been paying, assuming no unusual change as the discovery of an oil well. If someone else feels he can use the land more effectively, he will raise the bid, which the present owner will have to meet. Undoubtedly, one of the conditions in most communities will be that the present lessee has priority of occupancy as long as he meets all bids. Problems of malicious bidding will be handled as they are today, as individual problems of each community.

No experts are needed to determine land values. Nobody cares what they are, just as no tenant today cares what land valuations are--only what the rent is. An auctioneer and a few clerks are all that is needed. The public bidding insures justice to all.

This puts economic rent in the domain of the marketplace where democracy reaches its highest goals. Here all vote or don't vote as they please. If they want a piece of land, to which they are entitled, as much as present lessee, they cast their vote by offering a bid. What could be more simple--more in line with justice?

And at all times, there is no question but that the land belongs to all, and that the present occupants are merely leasing the land. No confusion exists in the minds of the people but that they are paying rent for the use of the land, and they recognize they must pay more rent for the more desirable locations, just as they recognize they must pay higher prices for the better seats in a theatre.

In educating the people to the necessity for the collection of economic rent by the people thru some simple form of collective organization on the local level, no elaborate explanations have to be indulged in to explain to them the method. It's obvious. When one advocates taxation one must try to prove to them that taxes on land values cannot be passed on to the ultimate consumer. To do this to the satisfaction of the average individual is well nigh impossible. All these abstruse economic arguments become needless. Attention can be given to the necessity of collecting economic rent, and the simplest possible method of collecting it. Few can deny the auction method is simple and workable, but plenty can deny that taxation of land values is workable.

It all comes down to the simple proposition that justice demands just means to attain just ends. O. B. Johannsen

THOMAS CONFORTI

has been a member of our faculty for nearly eight years here at the Henry George School in Newark. He first joined a group led by John Fellely, our director, and Louis Perma. The latter, as we regretfully remember, later transferred to San Diego.

Mr. Conforti continued in advanced courses, and joined with us in many study activities. He went on to lead fundamental groups himself.

He has always lived in this area, principally in Bloomfield. He is associated with Western Electric and has had long experience in Production Control work.

Partly in connection with his work and at other times, just for his own satisfaction, he has traveled extensively throughout North America, more often in Mexico, Canada, and has done very well by these United States.

In addition to traveling at every opportunity, Mr. Conforti is an interested sports fan. He is particularly active in golf, and plays a good game, if I understand correctly.

However, his activities have never replaced his interest in our school, and the principles we uphold. I was glad to hear that, as our work expands, he expects to be back in his familiar place among us.

Virginia Harvey.

HENRY GEORGE SCHOOL OF NEW JERSEY
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15th Annual Conference

New Brunswick, N. J.

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