

Insight

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Resolution '73:

a little more **RESOLUTION**

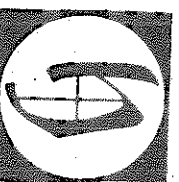
Dick Cavett seated Jeffery St. John on his left and Senator Proxmire on his right - which made everything politically correct when viewed on the screen. The problem of Vietnam was about to be gnawed by hawk and dove, by conservative and liberal, and by right and left - with an assist to the liberal by Cavett in his role of moderator at times goaded beyond endurance.

Thus were the late-night millions infused with virtuous warmth as they rejected the callow show-biz alternative to view relevant discussion of public affairs. But, apart from the satisfactory glow, what did they get that was missed by the legion who chose Carson or the CBS movie? Well, they witnessed authentic and recognizable controversy with both sides (but not all sides) democratically represented. The arguments were of sufficient vehemence to maintain interest and familiar enough not to induce disquiet. It was, in fact, show-biz masquerading as something more than entertainment. If this format were not the model for controversial discussion it could be lightly dismissed, but it is the model and exhibits horrendous weakness.

What is controversy? It is simply something as yet unresolved. It is the description of what happens between discovery and solution of a problem. Persistent and continuing controversy is less evidence of an open-minded society — than of empty-headed citizens. The goal of controversy is its own demise as disputes disappear beneath a flood of conclusions. In the classroom, controversy is not important except as a path to conclusion. Failure to appreciate this leads to unproductive wrangling.

To prevent wrangling, systematic action is necessary. The adoption of a logical procedure is called scientific method and can diminish controversy. Teachers should examine this intellectual trouble-shooting and pass it along to their students, so that time presently wasted discussing Cavett style, meaningful, relevant, controversial matters can be spent on their resolution. Then we may end some problems.

Of course, first, we have to identify one.



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HENRY GEORGE SCHOOLS OF CALIFORNIA
Los Angeles San Francisco Sacramento San Diego

Harry Pollard - January 1973

comment

"There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success than to take the lead in the introduction of a new order of things. The innovator has for enemies all those who have done well under the old conditions, and lukewarm defenders in those who may do well under the new. This coolness arises from fear of the opponents, and partly from the incredulity of men, who do not readily believe in new things until they have had long experience with them. (From The Prince by Machiavelli, 1513)

Legislature enacts massive tax shift bill to increase sales tax and increase welfare payments to compensate for increased burden on low income groups.

Loudly applauded by the Hearst and Chandler newspapers as tax "reform," Senate Bill 90 has passed the Legislature, and consumers will be faced with an immediate 20% increase in the sales tax. To lessen the effect on low income groups, families on welfare will be given benefit increases. Industry will benefit by an increase in the business inventory tax exemption to 45% in 1973 and 50% in 1974. This will be counterbalanced by an increase of corporate income taxes.

Homeowners will receive greater tax exemptions depending on their gross income, renters will receive small handouts to lessen the increased sales tax burden paid by them.

Liberals in the Legislature, ordinarily opposed to consumer tax increases, were coaxed into submission by promises of heavy financial gifts to S.B. 90 supporters by the California Teachers' Association, seeking more money for teachers' salaries. Although the State now has a \$700,000,000 surplus, teacher lobbyists felt that this might be only temporary, while heavy sales taxes are a permanent method of financing always acceptable to the other pressure groups which control our legislature.

Governor Reagan stated that he was "delighted" with the passage of the bill, and that it was only the "first step" in a "long range effort" to reduce property taxes. The Governor, who had previously been the subject of adverse publicity when certain vacant land held by him for speculation in the Malibu area had been found to have been grossly underassessed and the assessment was increased 620% by the Los Angeles County Assessment Appeals Board, has been a long-time supporter of replacing all property taxes with sales taxes and income taxes. The Governor had also been the subject of newspaper publicity about his failure to pay any income taxes during certain years due to investments in cattle-raising tax shelters.

The Bill was adroitly maneuvered through the legislature by Assembly Speaker Bill Moretti, a prospec-

tive candidate for Governor in 1974, who had previously attacked the alleged regressive nature of sales taxes when attacking the ill-fated Watson Amendment to increase sales taxes 40%.

Moretti's tactics were attacked by State Senator George Moscone, a possible rival to Moretti for the gubernatorial race, who stated that the bill was "a holiday for special interests," which did nothing to close special tax loopholes enjoyed by business interest and the wealthy. Moscone further charged that the bill would "destroy" county government by imposing limits on property tax increases.

State Controller Houston Flournoy stated that the Tax Shift will not solve the problem of equal school financing, and does not answer the Supreme Court's order that the quality of education hinge on the wealth of each individual school district. Flournoy added that the tax shift may make equal school financing more difficult, because funds that could have been used to establish a balanced school finance system may no longer be available.

We look with sorrow rather than anger at the support of our schoolteachers for increases in what Adam Smith called "the most ruinous of taxes." The myth that small and medium-sized home owners would benefit from a shift to sales taxes from property taxes was exploded during the Watson Initiative drive, with much of the myth-explosion money coming from teacher organizations.

Insight reprints its comparison as to the comparative effects on homeowners of raising tax money by property taxes, or by sales taxes, though fearing it is but a voice crying in the wilderness of economic ignorance.

There are about 20,000,000 people in California. The total assessed property valuation is approximately 5% x \$60,000,000,000. Property is required to be assessed at 25% of true value by State law.

Let us take an average homeowner with a wife and two children. Let us suppose \$6 billion must be raised by Government. If the 20,000,000 people each pay an equal amount, which is the general effect of a sales tax, each man, woman and child will pay about \$300. Our average homeowners family of 4 will then pay \$1,200 in all. The exact amount is subject to such unpredictable variables as how fast children wear out their clothes and shoes,



A COMMENT ON CHRISTMAS CARDS

Last Christmas-ide my sister visited me and looked over the cards I received. She ranged them from "best" to "worst". The "best" were the original and beautiful ones, and so on down the line until one she considered the "worst" - a "nothing".

I am sympathetic toward the underdog, so I looked at the outcast, trying to find some virtue in it. It was a set of simple Christmas balls on a plain red background. Even with this, I thought, some one had to take the trouble to design those geometric shapes and figure out a color scheme, even if it was only white, red and gray. The card began to look not so bad to me.

Then I bethought me of all the Christmas cards and all the planning and art work that go into them. There are surely more cards sent at this time than the rest of the year put together. Let us say that 50 million families (in the U.S. alone) send out an average of 50 cards - that's 2½ billion cards! And that's not counting the greater number sent by businesses, institutions, public officials, etc. Once in a while I get a duplication, but rarely - and so there must be a million different kinds of cards (not even counting privately-made greetings like this one).

There are endless variations of Santa Claus and reindeer, nativity scenes and Magi bearing gifts, Christmas trees, wreaths, bells and candles, a ransacking of the world's art treasures from Nipponese to Navaho, birdies and beasts, color photographs, line drawings, and everything in between.

This extraordinary art explosion is taken for granted. Meanwhile, the official art world scratches its empty head for new gimmicks to fill next season's galleries. The throw-away fertility of Christmas-card art may some day be counted as of more interest than the shenanigans of the contemporary art establishment.

There is one little quarrel I have with Christmas cards and that is their obsession with snow. A little snow here and there, all right, but this snow, snow, snow everywhere is too much! Seldom does real snow fall on Christmas, and the few times it does it is not so obliging as to spread a crisp white blanket, then stop...

Then there are the personal messages - the "annual reports" - which are welcome, but sometimes I wish the cast of characters would be more clearly identified. E.g. - "It's been such a busy year. Mary Ann (who's that?) visited with the twins (what twins?) for three weeks. Jack (who?) is better after his accident (what?) and is back at his machine (which one?). Mimsy (who?) was sad after Fuzzy (a cat? a parakeet? a sister?) died, but is now consoled with Rum (I'd be too)." Etc.

Minor quibbles. I love 'em all. It's a great - and often the only - way to keep in touch with all manner of people. "We must get together some time" doesn't always work out, but Christmas cards are always sent.

SEASON'S GREETINGS! Bob Clancy

LATE NOTES!

Our maximum security prisons contain many blacks and so they should for most crimes of violence are committed by blacks. This we know because 2 out of 3 victims of violent crime are black. The proportion may be greater, for unreported crimes of violence are likely to be usual in ghetto areas.

When two thirds of the victims come from 10% of the population, it's pretty obvious why the number one mayoralty campaign issue for Los Angeles blacks is law and order. During 1972 the 1,011 homicides contained no fewer than 432 black victims. This compares with 333 whites - from seven times as big a population.

The victims are well aware of the problem. Kraft Survey researchers expected 'police brutality' complaints from the citizens of Manhattan's west side. Instead, not a single 'brutality' complaint was heard -- but many were the complaints of insufficient police. The mothers were angry because their children were being molested and they were being robbed. If their reaction sounds like white middle-class San Fernando Valley mothers might act, don't be surprised. The different skin color is much less important than the similarity of motherhood.

Meanwhile prison reformers carry on their advocacy of more lenient conditions for the hard cases, apparently without thought of what happened to the victims, or what might happen to future victims. Councilman Bradley made sense in his comments to the L.A. County Bar Association on this point:

"It is one of the tragic ironies of American politics that those with least respect for constitutional guarantees of political liberty seem to speak out loudest against crime while those with a passion for civil liberties either seem unconcerned about crime or somehow, subtly, identified with some of the concerns of lawbreakers exclusively. For the fact is, I think, that crime is nothing less than a threat to personal liberty and freedom."

Not to miss the chance of a little cavil, it could be gently noted that crime is not a threat but a negation of personal liberty. It might be argued that if liberty is not affected there is no crime and no victim, but to the ghetto resident - hurrying home to escape the fear of night (best hour for homicides is the hour before midnight) philosophy is for the white middle class in the comparative safety of their suburban homes.

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how often the family eats out, and whether they are foolish enough to buy an automobile.

Suppose the same \$6 billion is raised by property taxes. Property being assessed (supposedly) at 25% of true value, we have this situation:

\$45,000 home assessed at \$11,250 pays \$1,125.

\$40,000 home assessed at \$10,000 pays \$1,000.

\$35,000 home assessed at \$8,750 pays \$875.

\$30,000 home assessed at \$7,500 pays \$750.

Governor Reagan has stated of his bill, "I think it would be to the great benefit of the people in California and certainly would . . . cure the school financing problem."

Inasmuch as Insight has seen sales tax increase after sales tax increase, with each increase being heralded as fast, fast, relief for our school financing problem, please excuse our skepticism on this score. And Insight also wonders whether our teachers will find it easier to teach children of an increasingly large poverty section, increasingly impoverished by regressive consumer taxes, even though the families involved will receive a slight increase in welfare payments.

Bribed legislators — as American as apple pie?

Contributions to political campaign chests by lobbyists to influence legislation are "an integral part of the American political system," according to Cyrus T. Anderson, Washington lobbyist recently convicted of paying bribes to former Maryland U.S. Senator Daniel Brewster. Testifying at the trial Anderson stated: "So many people ask me for cash. There's just so much of it in the political system . . . Senators, Congressmen, candidates for president of the United States."

Convicted lobbyist Anderson could receive up to 45 years in prison, while co-defendant Brewster, convicted of accepting a bribe, is subject of up to 6 years in prison. Brewster was charged with accepting \$14,500 from Anderson as supposed campaign contributions at a time when Anderson was lobbyist for a large mail order house interested in low postal rates, and Brewster was a member of the Senate Post Office and Civil Service Committee.

Actually, what Brewster received was mere chicken feed compared to what more careful legislators receive daily in Washington. Brewster's only sin was that he did not keep the money properly segregated!

Ralph Nader's book on *Who Runs Congress?* notes the widely known fact that the old crude forms of bribery have generally been superseded by contributions to future, or past, campaign funds. Noting that the Federal Corrupt Practices Act is only honored in the breach, Nader mentioned that the Justice Department has never prosecuted a single candidate for breaking its provisions! Nader also noted that although the Sierra Club lost its tax-free status on the grounds that it was involved in

political action, many large political contributions made by industry are usually accepted as *bona fide* campaign contributions.

But industry should not take the entire blame. Should we forget the large contributions made by the milk producers to practically every single presidential candidate before the 1972 primaries to insure high prices for what every body needs. Nor should we overlook the fact that a gangster-ridden Los Angeles union local which makes heavy political contributions to all levels of government, has never been the subject of criminal action, despite sworn affidavits of hoodlums admitting that they were imported by the union president to kill a rival for office, and tape recordings of orders by that same union president that other "troublemakers" be "taken care of."

Apparently American runs on payola insofar as Federal, State and Local government is concerned. And the main culprit is poor Mr. Average Citizen, who doesn't join any political club, makes no investigation into candidates for office, never shows up at "Candidates' Nights" and votes for the man with the most billboards pronouncing his virtues (paid for by lobbyists).

Jess Unruh former Assembly Speaker, now candidate for Mayor of Los Angeles, states: "That a good legislator should be able to eat the Lobbyist's dinners, drink his whiskey, sleep with his women, and then vote against him."

But how many of them can do this?

Current Assembly Speaker Moretti on TV on November 11, relative to lobbyists: "To have entire to the legislature they have to help us out. We can't pay for our own campaigns. Lobbyists are where we get most of our help."

Just where does the taxpayer go for help?

Farm prices — up or down — or who is running the agricultural department?

The Agriculture Department's attitude towards farm subsidies reminds us of Stephen Leacock's famous knight who rode off bravely in all directions.

Department Secretary Earl Butz is still espousing high food prices and extensive subsidies. Addressing the National Grange recently Butz complained that Congress "doesn't give a cuss about agriculture," that too many city people think "it's sinful to pay money for food," and that the new Congress will be "dominated by people who essentially believe in a cheap food policy."

Almost simultaneously, Assistant Secretary of Agriculture Carroll Brundhaver told newsmen that the Administration is "alarmed" at the record \$4 billion paid in farm subsidies this year, and hopes to cut this to \$3 billion in 1972. Brundhaver stated that reductions in payments for cotton, wheat and livestock feed grains

would be the heart of the reduction program, with the Department encouraging a shift to corn and soybeans production.

We are uncertain whether the \$4 billion tax subsidy included the \$300,000,000 paid by the Agriculture Department to cushion grain export companies against loss in the Russian grain export deal. The Administration hopes that wheat and feed grain prices will be sufficiently boosted by sales to various Communist countries to allow a gradual transition from price supports to a free market basis. It is denied that the substantial campaign contributions made by grain exporting companies (to both parties) have anything to do with this plan.

One embarrassing facet of the Russian deal is that the resulting increase in wheat prices has caused the Administration to grant bread price increases of up to 30 cents a loaf to Continental Baking Company and other large bakers. We would complain about this if we weren't afraid of being accused of being one of those city folk who think it's sinful to pay for food.

U.S. Proposal to remove tariffs on manufactured goods rejected by common market and Great Britain.

Duty-free trade of industrial goods among all industrial nations was proposed in a revolutionary suggestion by William Pearce, Administration representative at the General Agreement on Trade and Tariffs (GATT), and promptly rejected by European Common Market spokesman Theodor Hijzen and British delegate Roy Denman. Hijzen and Denman called the American idea "too ambitious" and they questioned whether industrial free trade would "serve the interests that would be involved."

Who the "interests" involved were, the Common Market and British spokesmen did not specify. If anyone ever believed that the Common Market was devised to encourage free trade, he can still find solace by trusting in Santa Claus and the Great Pumpkin.

In the meantime, back at the ranch, America's own "interests" are beginning to pour on the heat.

The National Milk Producers Federation has warned us that with Britain entering the Common Market, the U.S. will be a target for cheap milk products coming from Canada, Australia, and New Zealand which formerly were sold in Britain. The Federation paper stated: "It will require considerable effort to keep the United States from becoming a dumping ground for these nations." (for the uninitiated, "dumping" is a synonym for what the other country exports)

Almost simultaneously Farmer Union official Robert Lewis complained that millions of pounds of American and cheddar cheese were being imported from Denmark under the name of "Monterey" although 70% of it was in fact cheddar or American cheese. Lewis called this "shocking."

Unusual harmony between management and labor in the garment industry was recently shown in the one day work stoppage of 450,000 International Ladies Garment Workers Union members, encouraged by their employers, to protest the importation of foreign textiles. Union officials claimed 250,000 jobs in the U.S. had been lost by foreign textile imports. Union officers demanded the passage of the high tariff Burke-Hartke bill and I.L.G.U. western Director Cornelius Wall claimed: "The manufacturing of radios, shoes, boots and bikes has already been almost entirely eliminated in this country by cheap imports and the same thing will happen to textiles unless we do something about it now."

Other commentators were not so optimistic about the Burke-Hartke bill. The U.S. Chamber of Commerce stated that its passage "could trigger forces which could lead to world-wide depression." Secretary of Commerce Peter G. Peterson said Burke-Hartke would be a "national disaster."

And so it goes, back and forth, as it has for 200 years. One man's protection is another man's inflation.

Unnatural Wilderness

The city is under attack. The tired and overworked legislator - before dashing off to his Eastern retreat or Western White House - can first dash off a few phrases deploring the absence of fun in Fun City, or condemning the world's biggest parking lot (the Hollywood Freeway at dawn and at dusk) to be assured of good publicity.

One can be 'agin' the city as easily as one can be agin traffic accidents, smog or water pollution, or the old standby - sin.

The student of Classical Analysis has a different attitude to problems. Before the search for a solution begins, he likes to identify the problem and learn why it has arisen.

Any discussion of city problems must be prefaced by the too obvious question - why is there a city?

Henry George discussed the growth of cities in his "unbounded savannah" story, an illustration that in the course of time has achieved the status of a minor economic classic.

It is reprinted in our centerfold as part of the INTERSTUDENT program. It can serve as prerequisite reading for Urban Problem courses. It may be reproduced and folded to a booklet.

in use, which causes an increasing rise in rent, results not so much from the necessities of increased population compelling the resort to inferior land, as from the increased productiveness which increased population gives to the lands already in use. The most valuable lands on the globe, the lands which yield the highest rent, are not lands of surpassing natural fertility, but lands to which a surpassing utility has been given by the increase of population.

And where value seems to arise from superior natural qualities, such as deep water and good anchorage, rich deposits of coal and iron, or heavy timber, observation also shows that these superior qualities are brought out, rendered tangible, by population. The coal and iron fields of Pennsylvania, that today are worth enormous sums, were fifty years ago valueless. What is the efficient cause of the difference? Simply the difference in population. The coal and iron beds of Wyoming and Montana, which today are valueless, will, in fifty years from now, be worth millions on millions, simply because, in the meantime, population will have greatly increased.

It is a well-provisioned ship, this on which we sail through space. If the bread and beef above decks seem to grow scarce, we but open a hatch and there is a new supply, of which before we never dreamed.

To recapitulate: The effect of increasing population upon the distribution of wealth is to increase rent, and consequently to diminish the proportion of the produce which goes to capital and labor, in two ways: First, by lowering the margin of cultivation. Second, by bringing out in land special capabilities otherwise latent, and by attaching special capabilities to particular lands.

I am disposed to think that the latter mode, to which little attention has been given by political economists, is really the more important. But this, in our inquiry, is not a matter of moment.

BOOK IV CHAPTER 2

Progress and Poverty.



interstudent

a Mini-Supplement on

THE CITY

- how it begins
- why it grows
- why people live there
- how it creates wealth

Founded 1935

The Henry George Schools of California

Box 655
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HENRY GEORGE

progress and poverty

March, 1879.

BOOK IV CHAPTER 2

(edited)

Here, let us imagine, is an unbounded savannah, stretching off in unbroken sameness of grass and flower, tree and rill, till the traveler tires of the monotony. Along comes the wagon of the first immigrant. Where to settle he cannot tell—every acre seems as good as every other acre. As to wood, as to water, as to fertility, as to situation, there is absolutely no choice, and he is perplexed by the embarrassment of richness. Tired out with the search for one place that is better than another, he stops—somewhere, anywhere—and starts to make himself a home. The soil is virgin and rich, game is abundant, the streams flash with the finest trout. Nature is at her very best. He has what, were he in a populous district, would make him rich; but he is very poor. To say nothing of the mental craving, which would lead him to welcome the sorriest stranger, he labors under all the material disadvantages of solitude

So enormous are the advantages which this land now offers for the application of labor, that instead of one man with a span of horses scratching over acres, you may count in places thousands of workers to the acre, working tier on tier, on floors raised one above the other, from six, seven and eight stories from the ground, while underneath the surface of the earth engines are throbbing with pulsations that exert the force of thousands of horses.

All these advantages attach to the land; it is on this land and no other that they can be utilized, for here is the center of population—the focus of exchanges, the market place and workshop of the highest forms of industry. The productive powers which density of population has attached to this land are equivalent to the multiplication of its original fertility by the hundredfold and the thousandfold. And rent, which measures the difference between this added productiveness and that of the least productive land in use, has increased accordingly. Our settler, or whoever has succeeded to his right to the land, is now a millionaire. Like another Rip Van Winkle, he may have lain down and slept; still he is rich—not from anything he has done, but from the increase of population. There are lots from which for every foot of frontage the owner may draw more than an average mechanic can earn; there are lots that will sell for more than would suffice to pave them with gold coin. In the principal streets are towering buildings, of granite, marble, iron, and plate glass, finished in the most expensive style, replete with every convenience. Yet they are not worth as much as the land upon which they rest—the same land, in nothing changed, which when our first settler came upon it had no value at all.

That this is the way in which the increase of population powerfully acts in increasing rent, whoever, in a progressive country, will look around him, may see for himself. The process is going on under his eyes. The increasing difference in the productiveness of the land

The wheatgrower may go further on, and find land on which his labor will produce as much wheat, and nearly as much wealth; but the artisan, the manufacturer, the storekeeper, the professional man, find that their labor expended here, at the center of exchanges, will yield them much more than if expended even at a little distance away from it; and this excess of productiveness for such purposes the landowner can claim just as he could an excess in its wheat-producing power. And so our settler is able to sell in building lots a few of his acres for prices which it would not bring for wheat-growing if its fertility had been multiplied many times.

Population still keeps on increasing, giving greater and greater utility to the land, and more and more wealth to its owner. The town has grown into a city—a St. Louis, a Chicago or a San Francisco—and still it grows. Production is here carried on upon a great scale, with the best machinery and the most favorable facilities; the division of labor becomes extremely minute, wonderfully multiplying efficiency; exchanges are of such volume and rapidity that they are made with the minimum of friction and loss. Here is the heart, the brain, of the vast social organism that has grown up from the germ of the first settlement; here has developed one of the great ganglia of the human world. Hither run all roads, hither set all currents, through all the vast regions round about. Here, if you have anything to sell, is the market; here, if you have anything to buy, is the largest and the choicest stock. Here intellectual activity is gathered into a focus, and here springs that stimulus which is born of the collision of mind with mind. Here are the great libraries, the storehouses and granaries of knowledge, the learned professors, the famous specialists. Here are museums and art galleries, collections of philosophical apparatus, and all things rare, and valuable, and best of their kind. Here come great actors, and orators, and singers, from all over the world. Here, in short, is a center of human life, in all its varied manifestations.

He can get no temporary assistance for any work that requires a greater union of strength than that afforded by his own family, or by such help as he can permanently keep. Though he has cattle, he cannot often have fresh meat, for to get a beefsteak he must kill a bullock. He must be his own blacksmith, wagonmaker, carpenter, and cobbler—in short, a “jack of all trades and master of none.” He cannot have his children schooled, for, to do so, he must himself pay and maintain a teacher. Such things as he cannot produce himself, he must buy in quantities and keep on hand, or else go without, for he cannot be constantly leaving his work and making a long journey to the verge of civilization; and when forced to do so, the getting of a vial of medicine or the replacement of a broken auger may cost him the labor of himself and horses for days. Under such circumstances, though nature is prolific, the man is poor. It is an easy matter for him to get enough to eat; but beyond this, his labor will suffice to satisfy only the simplest wants in the rudest way.

Soon there comes another immigrant. Although every quarter section of the boundless plain is as good as every other quarter section, he is not beset by any embarrassment as to where to settle. Though the land is the same, there is one place that is clearly better for him than any other place, and that is where there is already a settler and he may have a neighbor. He settles by the side of the first comer, whose condition is at once greatly improved, and to whom many things are now possible that were before impossible, for two men may help each other to do things that one man could never do.

Another immigrant comes, and, guided by the same attraction, settles where there are already two. Another, and another, until around our first comer there are a score of neighbors. Labor has now an effectiveness which, in the solitary state, it could not approach. If heavy work is to be done, the settlers have a logrolling, and together accomplish in a day what singly would require years. When one kills a bullock, the others take part of it, returning when they kill, and thus they have

fresh meat all the time. Together they hire a school-master, and the children of each are taught for a fractional part of what similar teaching would have cost the first settler. It becomes a comparatively easy matter to send to the nearest town, for some one is always going. But there is less need for such journeys. A blacksmith and a wheelwright soon set up shops, and our settler can have his tools repaired for a small part of the labor it formerly cost him. A store is opened and he can get what he wants as he wants it; a post-office, soon added, gives him regular communication with the rest of the world. Then come a cobbler, a carpenter, a harness maker, a doctor; and a little church soon arises. Satisfactions become possible that in the solitary state were impossible. There are gratifications for the social and the intellectual nature—for that part of the man that rises above the animal. The power of sympathy, the sense of companionship, the emulation of comparison and contrast, open a wider, and fuller, and more varied life. In rejoicing, there are others to rejoice; in sorrow, the mourners do not mourn alone. Occasionally, comes a straggling lecturer to open up glimpses of the world of science, of literature, or of art; in election times, come stump speakers, and the citizen rises to a sense of dignity and power, as the cause of empires is tried before him in the struggle of John Doe and Richard Roe for his support and vote.

Go to our settler now, and say to him: "You have so many fruit trees which you planted; so much fencing, such a well, a barn, a house—in short, you have by your labor added so much value to this farm. Your land itself is not quite so good. You have been cropping it, and by and by it will need manure. I will give you the full value of all your improvements if you will give it to me, and go again with your family beyond the verge of settlement." He would laugh at you. His land yields no more wheat or potatoes than before, but it does yield far more of all the necessities and comforts of life. His labor upon it will bring no heavier

crops, and, we will suppose, no more valuable crops, but it will bring far more of all the other things for which men work. The presence of other settlers—the increase of population—has added to the productiveness, in these things, of labor bestowed upon it, and this added productiveness gives it a superiority over land of equal natural quality where there are as yet no settlers. If no land remains to be taken up, except such as is as far removed from population as was our settler's land when he first went upon it, the value or rent of this land will be measured by the whole of this added capability. If, however, as we have supposed, there is a continuous stretch of equal land, over which population is now spreading, it will not be necessary for the new settler to go into the wilderness, as did the first. He will settle just beyond the other settlers, and will get the advantage of proximity to them. The value or rent of our settler's land will thus depend on the advantage which it has, from being at the center of population, over that on the verge. In the one case, the margin of production will remain as before; in the other, the margin of production will be raised.

Population still continues to increase, and as it increases so do the economies which its increase permits, and which in effect add to the productiveness of the land. Our first settler's land, being the center of population, the store, the blacksmith's forge, the wheelwright's shop, are set up on it, or on its margin, where soon arises a village, which rapidly grows into a town, the center of exchanges for the people of the whole district. With no greater agricultural productiveness than it had at first, this land now begins to develop a productiveness of a higher kind. To labor expended in raising corn, or wheat, or potatoes, it will yield no more of those things than at first; but to labor expended in the subdivided branches of production which require proximity to other producers, and, especially, to labor expended in that final part of production, which consists in distribution, it will yield much larger returns.

Where now, conservation?

Even more upsetting to California builders than the passage of the Coastal Conservation Initiative is the extraordinary decision of the California Supreme Court that allowed building permits anywhere in the State to be withheld where they had an adverse ecological effect.

Many City Councilmen now claim the right to deny building permits because they dislike the architecture, the landscaping or the size of the swimming pool. When politically acceptable builders are involved the discretion has been exercised more liberally. The Legislature promises to furnish guidelines, but in the meantime hysteria reigns throughout the local seats of power, and local politicians portray themselves as crusading conservationists because they turn down construction permits.

The L.A. County Planning Commission has refused to allow the Roman Catholic Archdiocese to build homes on 145 acres it owns in Rowland Heights, claiming that this would cause loss of open space, and has suggested that the property be maintained for future cemetery expansion, or possibly for live-stock grazing. We think this admirable conservation. You could only put about 1,500 live people on the 145 acres, but you can put many times that in persons who only require 6 by 3 foot resting places.

A short ways away, thousands of hilly acres in La Habra Heights remain vacant because of a zoning provision that requires 1 1/2 acres for each building lot, leaving 25,000 prospective home buyers remaining in their happy apartments in the big city.

Something Constructive!

From time to time, readers of *Analysis* urge upon me the espousal of some program they are pleased to call "constructive."... The reform invariably rests its case on the good will, intelligence and selflessness of men, who, invested with the power to do so, will put the reform into operation. And the lesson of history is that power is never so used. Never. I am convinced, on the other hand, that all of the evils of which these honest people complain can be traced to the misuse of power, and am therefore inclined to distrust political power of any kind.... The only "constructive" idea that I can in all conscience advance, then, is that the individual put his trust in himself, not in power; that he seek to better his understanding and lift his values to a higher and still higher level; that he assume responsibility for his behavior and not shift his responsibility to committees, organizations and, above all, a superpersonal State. Such reforms as are necessary will come of themselves when, or if, men act as intelligent and responsible human beings. There cannot be a "good" society until there are "good" men.

FRANK CHODOROV, *Analysis*, July, 194

This is the same type of reasoning which caused the California Court of Appeal to find that California's law giving special tax deductions to private golf courses, despite their notorious racial and religious discriminations, did not violate the 14th Amendment. The Court found that the discriminating golf courses provided "open space" recreation which excused any incidental discrimination.

The L.A. County Regional Planning Commission recently warned that L.A. County may soon have the largest blight area in the nation, unless steps are taken to replace or renovate thousands of deteriorating homes. Commission planners claimed the county has fallen 402,000 units short of providing adequate housing for low and moderate income families.

We cannot understand why there should be any complaint about housing shortages. If the homes were constructed this would reduce open space and be anti-conservation. According to prevailing standards the true heroes should be the vacant land speculators who do not infect their beloved open spaces with those revolting people.

If the first refuge of a scoundrel is in fact patriotism we wonder whether the second refuge today might not be conservation. In the past we allowed the "Progress" fanatics to destroy much of our coast with oil wells, infest Tahoe with honky-tonks, cross Griffith Park with freeways, and even threaten Lake Arrowhead with smog ruination. It could only be expected that, in the true American style, we should go from one extreme to the other.

Mustangs and the pioneer spirit?

Our questioning of misuse of the word "conservation" does not mean we necessarily sympathize with the resolution adopted by the County Commission of Lincoln County, Nevada, home of the nation's 44,000 acre mustang preservatory. The County Commissioners demanded repeal of the protection given the mustangs, claiming that, "The wild horse is not a symbol of the pioneer spirit of the West."

The Commissioner stated: "Pioneer spirit is not characterized by a spirit of wildness and adventure. The pioneer came west to improve his economic status — the commendable and major ambition of civilized man."

These equine-hating commissioners seem to us to themselves symbolize the pioneer spirit of the West. Our pioneers never hesitated to kill anything that moved, chop down everything that grew, and to pollute everything that could not be either killed or chopped down. His "commendable and major ambition" was to improve his own economic status at the expense of anyone or anything standing in his way. Possibly some day an inspirational statue will be constructed in Lincoln County, entitled "The Pioneer" showing the daring County Commissioners shooting down the worthless mustangs.

Seven billion plus dollars aid to Indo-China?

President Nixon contemplates payment of \$7½ billion over a 5 year period to rebuild Indo-China, once peace is signed, with \$2½ billion going to Hanoi, according to Administrative officials interpreting Nixon's promise of a giant reconstruction program to help Indo-China "recover from ravages of a generation of war."

We cannot discern how this differs, except semantically, from the North Vietnam demand that America pay extensive reparations as the price for waging an "imperialistic war."

Reparations are traditionally paid by the losing side, and would seem to be out of place in the Vietnam stalemate. Inasmuch as the North Vietnamese invasion of the South certainly caused a few dollars worth of damage we are at a loss to determine why they should receive, rather than offer, aid.

However, according to prevailing economic theory, the U.S. would be the beneficiary and both South and North Vietnam the losers under the reparation plan. Reparations are paid in goods shipped to the reparee free of charge. Since the importation of foreign goods sold at a very low price is vicious "dumping" which destroys local industry and unfairly benefits the exporter, the provision of goods and services free of charge is the worst type of dumping, and can only cause the most grievous damage to the recipient.

Although U.S. taxpayers may complain about paying an extra \$7½ billion to subsidize the goods and services sent to friend and foe alike, such subsidies will put men to work, cause the wheels of industry to roll, and, according to Keynesian theory, be a substantial factor in preventing a business depression.

We conclude that it is fiendish cunning for the Administration to insist on the reparation form of dumping, with its resulting aid to U.S. industry, and destruction of North Vietnamese industry. Let us hope that Hanoi does not discover how we intend to deceive it.

Four out of five Poles think bribery is essential to survive.

Eighty per cent of those questioned in a poll conducted by the Warsaw weekly Polityka believe that in Poland, "One must give bribes, otherwise nothing can be settled."

The State's trade services won the biggest vote for bribery, it being common in Poland to make gifts to store employees to produce articles not on public display. Next highest on the list was the socialized services, such as plumbing, electrical repairs and phone installation and auto repairing, for those few rich persons able to finance such luxuries.

Polish consumers also complained of having to make under-the-table payments for hospital admission, and for operations.

It would seem that bribes are inevitable when the

It came through the mails this Xmas from Robert Clancy, who takes full advantage of the art gallery proliferation of Manhattan's East Side. But, beneath his nose (or perhaps on his walls) was evidence of an art explosion of nuclear proportion. He notes the increase in family newsletters -- and approves. Should this aspect of folk art be called a kind of creative implosion?

prices and availability of goods and services are not determined by the supply and demand of the marketplace. Much of the complex planning work done by administrators in Communist countries is an attempt to determine what would be the quantity and quality of specific goods, and at what prices they would be sold, if produced on a free market. But they never hit it just right, requiring that black market activities resolve the differences between the value of the goods and services and the government set price.

Yet Poles enjoy a higher standard of living than the citizens of neighboring Russia in view of the sizeable number of privately owned farms and small-sized businesses.

To each according to his needs in the Communist Utopias -- for those who can afford to pay for it.

Junket season approaching.

Junket season is coming soon, and not just for "people who like to eat." Congressmen will be touring the World on "official business" at taxpayers' expense to find out how better to govern us.

For example, the House Public Works Committee will send 7 members plus staff assistants to England, Sweden, France, Germany, Turkey, Greece, Yugoslavia and Russia, and a second group of 7 members plus assistants to the Philippines, Japan, Thailand, India, Turkey, Yugoslavia, Russia and England, to examine the manner in which those countries administer flood control, water pollution and highway safety.

We do not know what wonderful insight into flood control, water pollution and highway safety could be gained from touring Russia, Turkey or Thailand. We could save the Committee some time and money, however, by telling them that from our personal experience there is absolutely nothing of value to learn in the Philippines regarding any one of those three items. What's more important, the Philippine Government is cracking down on the night clubs and other fun spots.