

## Henry George Newsletter

published by

### Henry George School of Social Science

121 East 30th Street  
New York, NY 10016  
(212) 889-8020

Lancaster M. Greene  
Publications Chairman

George L. Collins  
Director

Mark A. Sullivan  
Editor

### AFFILIATES

#### LONG ISLAND

Stan Rubenstein, Director  
P.O. Box 553  
Cutchogue, NY 11935  
(516) 734-7543

#### PHILADELPHIA

Mike Curtis, Director  
413 South 10th Street  
Philadelphia, PA 19147  
(215) 922-4278

#### NEW ENGLAND

Ernest Kahn, Director  
114 Ames Street  
Sharon, MA 02067  
(617) 784-3086

#### CHICAGO

Sam Venturella, Director  
4536 N. Ravenswood Drive  
Chicago, IL 60640  
(312) 561-9660

#### CALIFORNIA

E. Robert Scrofani, Director  
1568 Schrader Street  
San Francisco, CA 94117  
(415) 661-6933  
Harry Pollard, Director  
Box 655  
Tujunga, CA 91042  
(818) 352-4141

#### DOMINICAN REPUBLIC

Lucy DeSilva, Director  
Isabel La Católica #212  
AP #758, Santo Domingo  
(809) 682-9361

#### CANADA

School of Economic Science  
Craig Cringan, Director  
2267 Westman Road  
Mississauga, Ontario L5K 1M7  
(416) 822-4694  
Gaye/Gerry Shaw, Co-Directors  
3017 25th Street, S.W.  
Calgary, Alberta T3E 1Y2  
(403) 242-4291

## A SURVEY ON WAR

For several months Lindy Davies and myself have noticed much interest among students in discussing the crisis, war, and post-war situation in the Middle East. What (really) caused the war, and (how) can future wars be prevented? We were, implicitly and explicitly, being asked, "What is the Georgist position?" "There isn't one Georgist position, but this is one Georgist's position," is how, in effect, we sometimes prefaced our remarks. But as a school of political economy, do we not owe it to our students to face critical world problems, ask searching questions, and question easy answers? This prompted us to solicit more than one Georgist's opinion for this issue of the Newsletter, by a letter sent in early February to Henry George School teachers, directors, and other Georgist educators. We reproduce here excerpts from all who have replied (except one who wished to remain unpublished). Since the war is officially over, these excerpts will reflect some of the issues that remain. Since the opinions are those of individuals, not organizations, we have not added organizational affiliation after each writer's name.

— The Editor.

**From Prof. Jack Schwartzman:** If Henry George were alive today, in 1991, he would analyze the current conflict in the Persian Gulf with the same precise and chilling clairvoyance as he did in 1879 in *Progress and Poverty* (pages 509-511, 1979 Robert Schalkenbach edition). "Man is social in his nature," George began, and man's general bent is to live in peaceful association and harmony with his fellow-humans. However, obstacles arise because of artificially-created shortages of world resources, together with deliberately-induced suspicions of "differences...in language, custom, tradition, religion," and they engender rivalry, fear, and hatred. "With these differences, prejudices grow, animosities spring up, contact easily produces quarrels, aggression begets aggression, and wrong kindles revenge.... Warfare becomes the chronic and seemingly natural relation of societies to each other, and the powers of men are expended...in mutual slaughter..."

What are we fighting for in the Persian Gulf? Oil, land, colonization, conquest? They are all summarized in one phrase: control of energy. Is the world "running out" of energy? In his recent book, *Population Matters* (New Brunswick, USA, Transaction Books, 1990), Prof. Julian Simon unequivocally declared: "There is no reason to believe that the supply of energy is finite, or that the price will not continue its long-run decrease.... The measure of the future oil supply must therefore be at least as large as the sun's seven billion or so years of future life." (p. 80) He supported his contention with unquestionably valid statistics.

This war, therefore, is not only totally destructive and horrifying (and unending, since it will spawn future wars), but, even from a cold-blooded, economic, point of view, totally senseless! Alas for humanity!

(survey continues on page four)

## QUESTIONS ON WAR - & ANIMAL RIGHTS - IN L.A.

"War! Is it the lot of humanity?" was the theme of a special March First Friday Dinner sponsored by the HGS-LA at Pickwick Banquet Center in Burbank. Included on the program with familiar "designated hitters" Butler Shaffer, David Byrnes, Bob DeTolve, and Michael Green, were discussion leaders Harry Pollard and Prof. Mason Gaffney.

Tough questions were on the agenda: How can a "new world order" where law is outlawed by the world community be enforced? By a World Police Force? Who will pay the piper? If wars become too costly, won't a draft make it even easier to wage them? Is peace-at-any-price the only rational response? Or is it a cop-out for those avoiding the responsibility of taking proper action?

Harry's presentation also was framed by a series of questions. "Is the franchise important to keeping the peace? Georgists might argue that economic freedom is more important than political freedom; that all you can do with the vote is to limit your existing freedom. But, perhaps the vote has a cosmetic effect on unrest. It hides potential aggression. Quite cynically, it might be argued that people should be given the vote to keep them quiet. In an Iraqi democracy, would Iraqis have voted against war if they felt they could influence the decision? Or, would they be like us — influenced by politicians and newspapers?... So, what about the West Bank? Dare the Palestinians be given an Israeli vote? Would it keep them quiet? In any event, the West Bank should obviously be returned to the Palestinians, or back to Jordan which is Palestinian to the core.... Unless you are an Israeli. Israel without the West Bank has the wasp-waisted look of a twenties' flapper. If I was an Israeli, I'd say to heck with giving it back. We stole it fair and square."

Included with the dinner program was "A Middle-Eastern Timeline" stretching back from 1990 AD to 2700 BC when the tower of Babel was built in what is now Iraq, between the present cities of Bazra and Baghdad! [Maybe "Babel" still reigns? - Ed.]

(continued on next page)

## GEORGIST MESSAGE COMES TO RHODE ISLAND

On Tuesday January 15, 1991, Mr. Hanno Beck of the Center for the Study of Economics made a presentation for land value taxation at a Fair Housing Conference held at Brown University and sponsored by the Providence housing Authority. The conference was attended by about 200; however, Mr. Beck's workshop was one of three scheduled late in the afternoon and was heard by about 20. That was unfortunate, because while other speakers offered detailed problems, Mr. Beck offered a solution -- one that can be started immediately, with no need for federal or state funds, no new layer of bureaucracy, and, best of all, no change required in the Rhode Island state constitution.

The Director of the Providence Housing Authority and one or two top aides were there. They appeared positively impressed with Mr. Beck's cogent presentation, asked good questions, and spoke later of pursuing the topic.

A Georgist reform could not come at a better time, because Rhode Island appears to be in an economic tailspin. The state was experiencing a "booming economy" during the period of 1985-90, which was really a land speculation bubble, as by Bostonians were locked out by high land prices in their area. They found it worth the hour's commute to come to "cheap Rhode Island" and receive at least 30% more for their housing dollar. During those five years the median selling price for a single family home in Rhode Island jumped from \$67,200 to \$127,000, a jump of 89%. In Providence, single-family home prices jumped 111% during the same period. Banks lent heavily on the ensuing building boom, especially in condos, and by the end of the period were teetering, with real estate loan losses causing massive red ink.

Worst among these were the state's credit union banks, insured only by a private state fund, which was largely unregulated, and whose directors were politically connected and themselves officers of the same credit unions. Some of these institutions had 94% of their loans in real estate, many of them "non-performing" by 1990. When the director of one credit union disappeared along with most of his bank's funds, the insurance fund rescued those depositors and became underfunded for continued operation. On New Year's Day the governor closed 45 credit unions. Many people do not have access to their life savings, and many businesses are in trouble as well. It will be miraculous if the state does not head into a full depression as a result.

Clearly, land prices have fueled all

this. We learned at the housing conference that the cost of a building lot in the City of Providence had increased 300% between 1985 and 1990--much more than the figure cited earlier for land and buildings (111%). As a real estate appraiser, I came across a good example yesterday. In 1983, a family bought a spacious home on 2.5 acres in East Greenwich for \$161,000. They sold it in December 1990 for \$230,000. The home was well-maintained -- but based on MLS listings it was the same home with in-ground pool that was purchased. This 43% gain is the "typical" speculative gain seen on almost every resale in the past few years. However: this owner subdivided the land, and sold off two *additional* 30,000 square foot lots -- both affordable lots in the very desirable East-Greenwich-by-the-Bay. One closed at \$80,000; the other will probably close closer to \$70,000. The total sale price will then be \$380,000; his net gain will be \$219,000 or 136%! The gold is in the land!

It was very appropriate that Hanno Beck came to Rhode Island on January 15th, the birthday of Dr. Martin Luther King, Jr. As these times are making painfully clear, the struggle for justice and full human rights must begin with equal rights to the earth itself. The taxation of land values would have prevented the speculative land fever that overtook the state with all its attendant misery. Let's hope it's not too late to begin.

— Cathy Orloff



## ANIMAL RIGHTS IN L.A.

(continued from previous page)

The March 1st dinner was a departure from the HGS-LA tradition of *Final Friday* dinners, the last one having been held on January 25. The subject that evening was "Animal Rights: Do they include humans?" Speakers included Mike Greene, a regular participant and founder of the Albert Jay Nock Forum and Southern California Supper Club. Chris DeRose, the other speaker, founder of "Last Chance for Animals" and the Sunset Greens, has been arrested several times for non-violent civil disobedience. "Designated hitters" this evening were June Aserseng, Christine Bounce, Butler Shaffer and Bret Barker. Harry Pollard pointed out that of deeper import than statistics on animal testing (25% of young people oppose it) "is the philosophical question of rights - for humans as well as animals....for we are animals, too."

## EDITOR'S NOTES

*This issue* devotes much of its space to two items of timely interest: the Persian Gulf war, which has aroused the concern of many people the world over; and two back-to-back Georgist conferences in June, which will occupy the attention of our readers, especially in North America. There are a few items of news and opinion which we have saved for our next issue.

*Ruth Berling*, we sadly note, passed away on Saturday, January 26th. Although she had a heart condition, she had been doing quite well, and her death was unexpected. We first knew Ruth as wife of CGO-founder Clay Berling, of the Northern California HGS. Later, Ruth volunteered her professional services in typesetting the CGO's *Introduction to Georgist Philosophy & Activity*. We will miss Ruth at our annual conferences, and extend our deepest sympathies to Clay and to all of Ruth's family and friends.

*Toward a Progressive Municipal, State and Federal Housing Policy* is a one-day workshop being held on Wednesday March 27, 1991, at Cityspace Conference Center, 275 Chestnut Street, Springfield, Massachusetts. Cost is \$55 (\$75 for governmental agencies). For further information, contact the sponsor: Institute for Community Economics, 57 School St., Springfield, MA 01105; or call Carrie at 413-746-8660.

*Economic Intelligence* is a four-page publication from England which provides economic data and analysis from a Georgist viewpoint. A recurring theme is that business cycles are caused primarily by land speculation. The February 1991 issue includes a "we told you so" article on "The Crash: they said it couldn't happen..." as well as articles on both the US and USSR economies. Edited by Fred Harrison, author of *Power In the Land*, it is an important resource for all serious Georgist analysts. Contact: Centre for Incentive Taxation, 177 Vauxhall Bridge Rd., London, SW1V 1EU, England (Tel: 081-943-1379).

*Land Trust Proposal:* Several families at Tolstoy Farm are engaged in setting up a land trust and would like to network with other individuals and groups who could offer help (legal, financial, spiritual). Their goal is "to establish a sustainable community that values ecologically sound land stewardship; social and economic justice; cultural, sexual and philosophical diversity; cooperation and global responsibility." Contact: Stephanie A. Kearns and Chrys Ostrander, Rt.3 Box 74-F, Davenport, WA 99122 (Tel. 509-725-1400).