

Signs of Progress

GEORGEIST ACTIVITIES THROUGHOUT THE WORLD

Robert Schalkenbach Foundation

REPORT OF V. G. PETERSON, SECRETARY

On September 30, Mr. Walter Fairchild and Mr. George Hansen, representing the Foundation, left New York for a tour of some of the colleges in upper New York State.

The first stop was made at the State College in Albany, where our two representatives talked with President Sayles. He showed a definite interest in the advance of Henry George's ideas. From Albany our friends traveled to Rensselaer, Troy, Saratoga Springs, Schenectady, Hamilton, Clinton and Ithaca, visiting colleges in each town and interviewing in all, about thirty professors. They report a cordial reception on every campus. As a direct result of their visit, supplies for a "Progress and Poverty" class of twenty students were requested by Skidmore College.

This trip was a sequel to a summer of hard work by the Foundation. The campaign started last July with the publication of our new Guide for Teaching the Principles of Political Economy based on the text of "Progress and Poverty" by Henry George. In August we printed up sets of lesson sheets for the use of students. The Guide, and the fifteen-session course of study which it anticipates, was then announced to the colleges in a series of mail campaigns, the last of which went out on September 21. These campaigns brought requests from six hundred and fifty-two professors who want the Guide in connection with their classroom work. About two hundred and fifty of them asked for "Progress and Poverty" as well. To date five of the colleges represented in these returns have asked for classroom supplies. Two have groups of fifty students; one has twenty and two have ten.

During the month of August we had occasion to write Mr. William Allen White of Emporia, Kansas. In the exchange of correspondence which followed, we suggested to Mr. White that it had been some time since he had mentioned Henry George editorially in his famous paper, *The Emporia Gazette*. A week later Mr. White wrote us: "Here is an editorial I wrote a few days ago about Henry George. I keep the torch burning." (The editorial is reprinted elsewhere in this issue of LAND AND FREEDOM.)

When Colonel Josiah Wedgwood returned to England after an extended lecture tour in this country, he left behind him a few copies of his book, "Essays and Adventures of a Labor M. P." As long as the supply lasts we are offering these at fifty cents each. Colonel Wedgwood has dedicated this book "To all who love Freedom and Adventure." In explaining why he wrote it, which explanation

also serves as a fair preview of the book itself, he says: "My best friends look pained when they observe my lips framing the word 'land'; others move rapidly in another direction when they see me approach lest, like the ancient mariner, I distract them from their dinner by a dissertation on the law of rent. I have, therefore, devised this book as a sandwich, having in it sufficient adventure to play bread and mustard to the political meat."

With the free trade argument getting a new hearing these days, and needing all the support that we can give it, it is appropriate to mention once more "Picking America's Pockets," that valuable little book by David L. Cohn (twenty-five cents a copy). Stocked a-plenty with facts and figures with which to refute the "protectionist," this book is, at the same time, written in so interesting and forceful a style as to make readers say time and time again, "I was sorry when I came at last to the end."

Henry George Committee for Legislative Action

"A Legislative Framework for the Philosophy of Henry George" has been listed in the Vertical File Service Catalog of the H. W. Wilson Co., which has an extensive library distribution. As a result, requests for the Framework have come pouring in from universities, legislative and public libraries in all parts of the country. This, and the favorable response of public officials (reported in our last issue), indicates that those we are seeking to reach pay attention to us when we have a practical proposal to offer.

Our wide circulation of the Framework among libraries and legislators has depleted our supply. Before another printing is undertaken, the Framework will be examined for possible improvements. Suggestions from those who have studied the Framework are welcome. Address communications to the Central Committee, care of LAND AND FREEDOM, 150 Nassau Street, New York, N. Y.

SUFFICIENCY OF RENT FOR GOVERNMENT

Lawson Purdy has made some interesting comments on the Framework. Because of his long experience in tax matters as Commissioner of Taxation for the City of New York and his lifelong interest in this subject, Mr. Purdy's observations are especially valuable. He writes as follows:

"If this bill were to become law it would be necessary to provide some method of apportionment between the several taxing districts. Section 2 on page 5 (q. v.) would hardly suffice.

"I believe that if we had equal opportunity to use land, the cost of government would in time be greatly reduced, but

at present, with our enormous expenditures, the rent of land would be much less than state and local expenditures, to say nothing of federal.

"My latest report of the Tax Commission of the State of New York is for 1939. On page 296 is the assessed value of land, separately assessed. That includes most of it in value, for it includes all city land. The Commission says that assessment is 85%. I think it over 100%, but let's take the Commission's figures and assume all land would be assessed \$12 billions instead of \$10½ billions. Add \$2 billions for under-assessment, and we have \$14 billions. Now assume we collect one-fourth of ground rent now. Then we must add \$4,700,000,000 in round figures, and we have a total of \$18,700,000,000. Five percent of that figure would be \$935,000,000 to meet the present tax bill of \$1,312,000,000.

"We ought to allow for a considerable shrinkage on account of vacant or poorly improved land, but we will assume there is no shrinkage. We should deduct from the total tax to be levied the income and inheritance taxes which amounted to \$125,000,000, but we would still be short some \$250,000,000.

"While ground rent is inadequate to meet present expenses of government, I believe that after equal rights to land had been secured for an adequate length of time, the expenses of government could be very greatly reduced."

Mr. Fairchild's reply to Mr. Purdy elucidates the important problems of the allocation of the land value tax and the sufficiency of rent for public purposes, expanding on those points touched upon in the Legislative Framework:

"We are agreed that the total annual ground rent when collected for taxes must be apportioned between federal and state requirements and within each state must also be apportioned not only as between state and local districts but also between the local districts according to their respective needs. This presents a practical problem.

"In our first draft of proposed laws we attempted to work out a method of apportionment based on respective budgets and regulated by a board of equalization. We came to the conclusion, however, that in the proposal of statutes the detail of exact apportionment was impossible and would result in an endless discussion over relative amounts which would tend to divert thought from the basic principle of collecting ground rent by taxation.

"We therefore cut the Gordian knot by providing that the collection of taxes should be local and one per cent of gross land value should be remitted annually to the state and one per cent to the federal treasury, leaving three per cent for local authorities to get along with as best they could.* State legislatures and local and state tax boards will always be

busy in the future as they always have been in the past working out their respective rates. Undoubtedly the rules for assessment as well as the rules for collection and apportionment will be worked out by a technical administrative bureau with quasi-judicial and quasi-legislative powers, subject, of course, to legislative control.

"Whether or not total ground rent when collected in taxes will be sufficient to cover all tax budgets has also been left for development by experience.

"I have studied a great many tax statistics and have come to the conclusion that when the debt burden or interest on the public debt including municipal issues is eliminated and the so-called relief expenditures become unnecessary, the total economic rent will not be far from the total of normal federal, state and municipal budgets. However, even with the best of luck, it will take some years for adjustments to be made. For this reason we have staggered the program for the elimination of taxes on sales and on labor products and industry generally over a period of years with a general provision for retaining taxes on incomes and inheritances until the need for them has disappeared.

"We do not propose any constitutional limitation on the power of the people to tax. That remains as now. The constitutional change we propose is affirmative, making it a duty of Congress and legislatures to collect ground rent for public use.

"No provision has been made for the payment of such catastrophes as the present world war, which is abnormal. Certainly, in case of need the people have power to, and will defend their homes not only with their income but with the total of their resources. This problem is not one for the consideration of a normal tax law, but to be handled according to the exigency of the time.

"In calculating the total to be collected in taxation we propose to include not only the site value of land but all of the privileged advantages of special franchises for public utilities, oil, coal and other mineral royalties and including licenses for the use of radio wave lengths and all other natural opportunities and powers. Our committee believes that when all these things are collected there will be ample to cover all requirements of government, maintenance of public works and surplus for such things as old age pensions and all proper public relief.

"No doubt with the increased activities and income of the people under the plan of Henry George proper public expenditures will also increase, the details of which will be worked out with experience."

Henry George School of Social Science

The Fall season opens with renewed activity at New York headquarters and vigorous extension activities in New Jersey, Boston, Philadelphia, Chicago, St. Louis, and Berkeley. There were about 1300 registrations for the New York

*The arbitrary allocation, used in the Framework, of 1% for federal, 1% for state, and the remainder, 3%, for local government, is considered a rough approximation of the respective total budgets in normal times.