

## The Henry George School of Social Science

IF to be recognized by a State Department of Education is progress, then the Henry George School of Social Science truly is making progress. It has been awarded a provisional charter by the Board of Regents on behalf of the Education Department of the State of New York. The charter is issued by The University of the State of New York.

The provisional features of the charter is to endure for five years when upon evidence satisfactory to the Regents of the University that the School has acquired resources and equipment available for its use and support and sufficient and suitable for its chartered purposes, and that it is maintaining an institution of educational usefulness and character, the provisional charter will be replaced by an absolute charter. Here then is one more step in the direction of "The Henry George University," envisaged by some and hoped for by all.

Lecturers that have already signified their willingness to speak at the School Forums during this fall and winter are Anna George de Mille, Grace Isabel Colbron, Frank Stephens, George L. Record, James F. Morton, John Luxton, Raymond V. McNally, Walter Fairchild, Stephen Bell, Frederic W. Hinrichs, Benjamin W. Burger, Harry Weinberger, Harold S. Buttenheim, Philip H. Cornick, and Joseph Fink.

New converts to the cause are being made continually; followers of Henry George are having old interests revived and old enthusiasms rekindled by the work they see being accomplished by the School, and if the School can achieve its desire—indeed its urgent need—of securing a headquarters of its own, a classroom devoted exclusively and permanently to its work, where students, adherents and the general public may come at all hours of the day and every evening; where not only classes and forums may be conducted, but a library and reading room may be always at the disposal of those seeking light, the fondest hopes of those who see the advantage to our movement of a cultural center are sure to be realized.

In the September–October issue of LAND AND FREEDOM appeared an analysis by Mr. Max Berkowitz, French Instructor at Evander Childs High School, and Mr. Geiger's most able and ardent assistant, which called forth the following timely and very interesting letter. We take pleasure in quoting it in full together with Mr. Geiger's rejoinder.

EDITOR LAND AND FREEDOM:

In your article headed "Henry George School of Social Science," you cited some statistics on New York real estate. These interested me because I have often tried to visualize the land tax theory in actual practice. On page 166 it is stated that in 1932 New York City collected \$240,000,000 on taxable real estate with a \$2.68 per cent tax rate. The comment is then made:

"Thus the annual rent of land in New York City (\$240,000,000 taken by Government and \$480,000,000 kept by land owners) is shown to be \$720,000,000, while the budget of New York, admittedly one of the most extravagant in the world, is only \$631,000,000."

The inference evidently intended by the context is that the revenue raised by land tax would be more than ample to take care of Government needs, and greater than that raised by present methods of taxation. I have always supposed that such a result would follow from a land tax. I have been persuaded into that supposition by the logic of Henry George, but have always unconsciously yearned for some experiential backing for the logic. I was, therefore, quite pleased on first reading with the quoted paragraph.

On second thought I became confounded. As I understand it, a land tax would replace all present taxes, Federal, State and municipal. Or if, say, Federal taxes were retained while State and municipal taxes were put on a land rent basis, a proper part of the Federal taxes would have to be deducted from the land taxes; otherwise there would be an inequitable burden on the landholders in that particular State.

On the basis of the figures in the quoted paragraph, a land tax would pay all the expenses of New York City and leave \$89,000,000 to spare. Now the inhabitants of New York City pay part of the present revenue of New York State and of the Federal Government. In fact, they pay a goodly portion of the State taxes, and, due to our system of income taxes plus a great concentration of wealth in the city, they probably contribute to the Federal revenues in undue proportion to population. I am sure that New York City's contribution at present to State and Federal revenues is much greater than \$89,000,000.

Such being the case, the theory seems to be disproved, and the logic faulty.

I do not pretend to be a student of this matter, and perhaps I am just dense. In fact, I have read only "Progress and Poverty," a few tracts, and several issues of LAND AND FREEDOM. I should appreciate your dismuddling me.

F. B. M.

### REPLY

The annual rent of land is what the use of land is worth based upon the net income it produces with a given expenditure of labor and capital.

Taxes, as we assess and collect them now, are a burden on industry, a fine on productive effort, a hardship on homeowners, a hindrance to labor and capital. Taxes are taken out of the products; they therefore reduce the net income from land and to that extent decrease the value land.

Whatever useful service Government renders to the people reflects itself in increased land values. If the services rendered are commensurate with the cost of the services, that cost will be reflected in the amount of the increase. The rent of land will equal the Governmental expenditure.

If taxes on commodities (labor products) or services decrease ultimate earnings and therefore reduce land values, and if the cost of government reflects itself in the rent of land, it seems clear that the abolition of taxes will permit the rent of land to express the full cost of government.