

Graded Tax Plan Aids Urban Renewal

by the Hon. JOSEPH M. BARR

Mayor of Pittsburgh

PITTSBURGH has the distinction of being the only large city in the United States where the special taxation of land values has been in actual operation over a long period of time. We are in the midst of an enormous program of urban redevelopment and urban renewal—a program which has attracted nation-wide attention.

I believe the Graded Tax plan, which was adopted here in 1913 by an act of the state legislature, has done a great deal to encourage the improvement of real estate in general, and especially the building of homes and apartments. And I think it has been particularly fair and beneficial to home owners.

It is generally felt that most of the fine structures erected through private enterprise and investment as part of the renewal program, are benefited by the lower tax rate on buildings, which for city purposes is just one-half of the rate imposed on the value of the land. City tax rates are \$37 per \$1,000 valuation on land, and \$18.50 per \$1,000 on buildings.

Many people now believe the Graded Tax law should be extended. As state Senator it was my pleasure to support

the bill introduced in 1951 by Senator McGinnis, which was enacted by an overwhelming vote in both houses of the legislature giving our 48 third-class cities the option to adopt similar tax measures if the City Council sees fit to do so.

In Pennsylvania the Graded Tax plan is considered non-partisan and has not been a political issue. It was first sponsored here by a Republican Mayor, William Magee in 1913, and has since been supported by both Republican and Democratic Mayors.

The law is generally accepted in the community and there is no significant support for its repeal or modification. In short, the Graded Tax plan has worked well in Pittsburgh, and we believe it would prove equally beneficial if tested in other areas.

As a member of the Pennsylvania State Senate for 20 years, and now as Mayor of Pittsburgh, I have been closely associated with Senator Barney McGinnis, and also previously with the late Councilman, George E. Evans, who was the first president of the Henry George Foundation. So I am particularly pleased to welcome members of the Henry George School and the Henry George Foundation to Pittsburgh.

The foregoing welcome by Mayor Barr, and all other articles in this issue, reflect the joint conference of the Henry George Foundation and Henry George School at Pittsburgh last month. A general report on the complete program begins on page 8. A number of addresses not included in this issue will appear in shortened form in the September HGN.

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The Henry George News, published monthly by the Henry George School of Social Science, 50 E. 69th Street, New York 21, N.Y., supports the following principle:

The community, by its presence and activity, gives rental value to land, therefore the rent of land belongs to the community and not to the landowners. Labor and capital, by their combined efforts, produce the goods of the community—known as wealth. This wealth belongs to the producer. Justice requires that the government, representing the community, collect the rent of land for community purposes and abolish the taxation of wealth.

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