

# the Henry George News

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## higher land assessments will benefit homeowners

**S**OUTHFIELD, Michigan, near Detroit, is becoming an important pilot city to be observed by students of the taxation reform proposed by Henry George. It was encouraging to read in the Southfield News of December 6th that the reappraisal survey of the city's land begun last year is nearing completion. When it is handed to the city officials it will show a net increase of \$15,561,840. Total appraised values are now \$46,685,520. The revaluations were made by a Cleveland firm, J. M. Cheminshaw, who took 18 months for the survey.

"This," stated the Sun, "is a 70 per cent gross increase for the city. The largest increase, 95 per cent, is noted in acreage, where \$7,118,800 was found. Platted property is up 57 per cent through the reappraisal figures—for a total of \$8,443,040."

Instead of the higher valuation causing an increased tax for the average homeowner, however, he will in most cases pay not more, but possibly less, owing to a depreciation formula of one per cent annually which will be applied to improvements.

Current tax bills do not show the

new valuation but are based on appraisals some of which were in effect in township days, before Southfield's incorporation in 1958. Eventually the reappraisal will affect all owners of land and property, but those who are asked to pay slightly higher figures can take comfort in the thought that large acreage speculatively held will now be appraised at true market value and will bear a larger share of the local tax burden, since the new report will bring all appraisal figures into closer line with actual market price.

James Clarkson has nearly completed his first term as Southfield's mayor and will be opposed in the spring elections by a prominent member of the city council. He said in running for re-election that he believed more than one term was required to do justice to the position.

The Mayor can point to two platform promises already in the process of being realized: the successful opposition to penalty taxation on home improvements, and the reappraisal program for uniformity in assessments throughout the city, which, as he pre-

*(Continued on page 16)*



# A Word With You

IN America today, writes Charles H. Brower, we have reached "the high tide of mediocrity, the great era of goof-off, the age of the half-done job. The land from coast to coast has been enjoying a stampede away from responsibility. It is populated with laundry men who won't iron shirts; with waiters who won't serve; with carpenters who will come around someday, maybe; with executives whose mind is on a golf course; with teachers who demand a single salary schedule so that achievement cannot be rewarded, nor poor punished; with students who take cinch courses because the hard ones make them think; with spiritual delinquents of all kinds who have triumphantly determined to enjoy what was known until the present crisis as 'the new leisure'; and the salesman who won't sell, is only a part of the overall mess."

Candid observers of the current scene will have to admit that there is a great deal to Mr. Brower's rueful remarks. It remains to ask, how did we get that way?

Undoubtedly, we can attribute a great deal of it to welfare-statism. The idea that we have to be taken care of by society weakens responsibility.

But behind that lies another phenomenon. We should not forget that the welfare state grew out of the Great Depression—a desperate situation in which people turned to the government as the only recourse.

Let us also bear in mind that modern inventions have increased productive power enormously. It is all very well to praise the virtues of toil, but are we to forever have our noses to the grindstone? Are we never to enjoy the benefits of all this outpouring of the world's goods with a little less toil? This happy situation not having developed by itself, as it should have done, it is small wonder that so many people are, by hook or crook, trying to make it happen—by strikes, by government welfare, by goofing off!

Then there is the greatest goof-off of all being held up to the populace as a shining example—land speculation!

We may look back with some nostalgia on our pioneer days, when people were not afraid to work, and still had the time and inclination to help one another—as contrasted with today's what's-in-it-for-me, I-don't-care attitude. But very early in the game the Great American Dream of getting rich quick on land speculation was in the picture.

Some did manage to line their pockets with the magic stuff, without toiling or spinning. One of the side effects of this surely was to infect people with the notion that it is a wonderful thing to get without giving, to reap without sowing.

With all these factors at work, marvel not that we have attained the "great era of goof-off"!

—Robert Clancy

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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 producers. Justice requires that the government, representing the community, collect the rent of land for community purposes and abolish the taxation of wealth.

Publication committee: William S. O'Connor, Arnold A. Weinstein and Lancaster M. Greene, chairmen. Editor: Alice Elizabeth Davis. Subscriptions \$2 a year; single copies 20c. Second class postage paid at New York, N.Y.



# The Forgotten Art

by GRAHAM HART

WE speak of capitalism, socialism, fascism and communism as if they were opposed to each other. Actually they are at one in their opposition to the fundamental principles of Henry George who affirmed that all men have equal rights which cannot be sustained without equal rights to the earth. These rights are not bestowed by the state—and what the state cannot give it has no warrant to take away.

The current or empirical school of political economy denies that man has God-given inalienable rights, and claims that such rights as men enjoy are bestowed by the state according to the will of the majority.

Political economy is both an art and a moral science and in common with the arts in general, it has degenerated as rapidly as the physical sciences have progressed. It must not be confused with economics as taught in our universities which relates at best to the systematic compilation of statistical information concerning industry and commerce, manipulation of currency, curtailment of personal liberties in various directions, and the various ramifications of a socialist or planned economy.

The modern theories are all the more dangerous because they contain a grain of truth. Planned inflation and high taxation of industry will in fact prevent the over-investment of surplus funds in productive enterprises for which insufficient markets exist. However, the surplus funds (note the similarity to the Karl Marx theory of surplus value) expropriated from potential producers and consumers, eventually filter back into circulation via government spending channels. In-

In the scholarly treatise from which this brief excerpt is taken, Graham Hart of Perth, Western Australia, pointed out that survival of the West depends on revival of classical economics. In this field Henry George is said to be the forgotten man, as political economy is the forgotten art.

vestments in real estate (land value) or monopoly industries are preferred during an inflationary cycle because such forms of investment are not subject to depreciation.

Rejection of classical economics and acceptance of the empirical theories by our universities and established institutions, is a prostitution of learning. Even the terminology of the science of political economy has been changed by the modern charlatans. Economic rent is a term which has always been applied to the return for the use of land. Glancing through a textbook used in our university I was amazed to discover that there is also an "economic rent of wages," which is the difference between what the employer offers to pay and the lesser amount that the employee agrees to work for—as if anyone ever insisted upon accepting less wages than he was offered?

In destroying the faculties of reason in our young people those who are responsible are sounding the death-knell of Western civilization. Treason is a nasty word, but practices which weaken the nation and destroy its moral fiber are even worse.

Franklin D. Roosevelt was the first politician to accept the Keynesian theory (that a nation must spend faster than it earns). At the commencement of the depression in 1930 there were 13,000,000 unemployed in the United States. During the next



four years he doubled the national debt in an endeavor to create employment, but at the conclusion of this experiment there were still 13,000,000 unemployed. Henry George taught that the infusion of money to stimulate employment could not succeed unless other factors were introduced simultaneously. Only legislation making land available to the bonafide user could do that.

The net result is that America is committed to pay interest on an expanded national debt forever, subject only to the usual process of liquidation by inflation—and also to establish that Keynes was wrong. Even this might have been worth the price if the lesson had been assimilated, but the doctrine is still officially acceptable—a very fortunate circumstance for the lenders of money.

Under conditions of relative world prosperity America today is facing an unemployment problem approaching 6,000,000 people. Other Western countries are fighting a losing battle to maintain stable conditions with the aid of crippling taxation, inflation, socialistic restrictions and curtailment of individual liberty.

The British Empire is on the wane, the Dutch and French are losing their colonies. India after 100 years of British rule, during which cruel exploitation of the people by the princes was preserved, is facing trouble which is too terrible to contemplate. The Western world can survive only through destruction of the institution of land monopoly.

This will entail recognition of the classical economists and of Henry George—the forgotten man who established political economy as a



Placard reads: Elevator out of order. "And to think, soon we'll be able to fly to the moon."

*Polish Weekly (Warsaw)*

science. He explained why the rent of land tends to advance continually with the development of society while wages and interest remain at the bare minimum the laborer and the capitalist will consent to accept. Furthermore he demonstrated that because wages and interest rise and fall in a converse ratio the cause of the worker and the capitalist are common and not opposed as communists and socialists would have us believe.

Inflation is the cruelest form of robbery devised by modern governments, since it falls with the greatest severity on old people and those on fixed income who are unable to take defensive action. A taxation system which discourages and restricts production amounts virtually to an act of treason since the vital strength and defense of a nation in the face of the gathering hordes of barbarians and communists depends on its productive capacity.

The conference of the International Union for Land Value Taxation and Free Trade will meet in New York in 1964, and it will be the 125th anniversary of Henry George's birth. The school conference will be held in conjunction with the International World Union meeting. Visitors will have the added interest afforded by the World's Fair.



# Erie Finds the Key

ELTA (Erie Land Tax Association) appears destined to become a popular word among land value taxation enthusiasts. As pointed out in earlier issues of HGN, it grew out of the interest aroused among members of the Junior Chamber of Commerce in Erie, Pennsylvania who saw the logic of the method quickly and endorsed land value taxation following an initial address by Dr. Harry Gunnison Brown. Greatly encouraged by their response, W. Wylie Young, representing the Henry George Foundation and the Economic Education League, gave liberally of his time and effort to instruct them in the fundamentals of this reform.

William E. Walker, a prominent business man in Erie (see August 1962 HGN) in the first issue of the ELTA News, explains how he became convinced that land value taxation provided "about the only positive way of dealing with communism." Although he knew economics well, on reading Dr. Brown's "The Effective Answer to Communism," he saw for the first time how a new law, applicable to city real estate taxes, could be used to restore many of the old freedoms and make unnecessary any further extension of the New Deal type of legislation which is threatening to destroy free institutions. In this first bulletin to the citizens of Erie, there is a most lucid presentation of the need for more knowledge of assessment procedures on a wide front.

Confident of their proposal and what it can do to make Erie a city of which they can be proud, and in which their children can grow up with some hope of a secure livelihood, the officers of this forceful group are "literally out to re-educate the entire

city in the fundamentals of land value taxation." The fact is, states Mr. Walker, "we all suffer from a feeling of chagrin that we should have lived so long without being introduced to these simple fundamentals of economics."

The association's campaign was aided at the start by a gift from the Pennsylvania Graded Tax League of \$1,000 which was used to print bulletins circulated among 5,000 homes. Contributors now embarking upon this educational campaign will receive the ELTA News and will be asked to distribute copies to others. In addition they will be invited to attend Monday noon forum meetings.

After many years of presenting the Henry George tax plan in rather plain prose, we find it refreshing to read ELTA's approach. "Eureka! We have found it," states a headline, "the key to Erie's future." Land value taxation is the key, and they say it is "good for everyone—wonderful for those who like new and shining buildings, and heaven's own answer to those who hate slums." But while "there is no denying that there is a golden pot at the end of this rainbow," it will take a great deal of education. "We will beat all the drums in sight," say the ELTA members, "make talks all over town, put on 'tax seminars,' and even stand on our heads in the public square, if necessary, for Erie must know about land value taxation."

Yes, it will take money—and that is what they are after. If you want to hop on this band wagon you won't be discriminated against if you happen to live outside of Erie. Make your check payable to The Erie Land Tax Association, 2217 Peninsula Drive, Erie, Pennsylvania.



# Noah D. Alper's Brief Cases

## LAND POWER—75 YEARS AGO

"The London Express revealed Britain's Duke of Norfolk, a prominent Catholic, refused to sign the petition list to be presented by British Catholics to the Pope, requesting his mediation of the expulsions of Irish peasants by British landlords."

From: Through the Years—St. Louis Globe-Democrat

## ST. LOUIS CELEBRATES ANNIVERSARY OF A GREAT EDITOR

William Marion Reedy, publisher and editor of the Mirror, a flourishing literary journal of national scope 50 years ago, was one of the most vocal exponents of Henry George's philosophy. An article in the St. Louis Post-Dispatch recalls, on this 100th anniversary of his birth, that "Reedy was profoundly affected by Henry George's landmark book, *Progress and Poverty*. Few literary editors have ever had so deep an interest in political affairs. Countless editorials and articles in the Mirror reflected his concern in and sponsorship of social reforms. Divorce, criminal justice, municipal corruption, education, welfare legislation, war and peace—these and many more topics in public affairs were held up to the Mirror."

## CAN'T HAVE BOTH

"It is impossible to try to permit 'land speculation to make a buck and have a nice city, too,' as is sought by some groups," Eldridge H. Lovelance, a partner of Harland Bartholomew & Associates told students of architecture at Washington University, as reported in the St. Louis Post-Dispatch. "Completion of the federal interstate highway system will result in urban sprawl 'the likes of which have not been seen before,'" he said, "all signposts point to more urban sprawl which experience has proved cannot be satisfactorily controlled.... He advocated assessment of taxes on land only, an establishment of local capital gains taxes to discourage land speculation, regional and statewide zoning to protect good farm lands, and consideration of compulsory pooling of land where this is found desirable"

## TUNE IN TO CONFUSION

The College of the Air (Television Study Guide) recently addled the already confused study of "The American Economy" by giving the following definitions:

Capital—the stock of productive facilities existing in addition to labor and land. The buildings, equipment and facilities fabricated for the purpose of assisting in the production of goods and services; it may also include inventories of finished and semi-finished goods. More inclusively, it can refer to the entire existing stock of productive capability including accumulated improvements in the productivity of labor and land.

Wealth—a stock of assets.

Interest—payment for the use of money over a period of time.

Economic rent—the payment to a factor of production whose supply is absolutely fixed (i.e., completely inelastic). The usual example is rent paid for a particular land site.

## FINDING NEW SOURCES OF TAX INCOME

The great American tax shift is also familiar to Canadians, as described at length in the Edmonton Journal, with the Provincial Treasurer reporting on a government study which proved that a 3 per cent sales tax in Alberta could cut property taxes in half. He noted that the increasing numbers of apartment dwellers who do not own property seem to take little interest in community affairs. He also advocated levying on farm buildings which are now exempt. The sales tax, he said, would spread the tax load evenly and remove much of the burden from the property owner.

With respect to the new tax sources needed, a Progressive Conservative leader said he was shocked that there should even be talk of a sales tax in Alberta with its wealth and oil revenues—however he too believed "some relief must be found for property owners."



# *Mathematics for the Site Value Tax Legislator*

by W. D. STOWE

WHEN legislation is being formulated to promote collection and application of land site rental for public use, the effect of the wording in the basic constitutions and the collateral statutes requires consideration.

Let us view an entrepreneur who has \$5,000,000 to invest, and aims at a return of 10 per cent to cover current profits and risk. He calculates that in his enterprise he can allot \$1,000,000 for land, \$1,000,000 for buildings, \$1,000,000 for equipment, and \$2,000,000 for working capital. The assessed value of the land being at its total productive value, is \$1,000,000, and the sum of the tax rates in the area totals 100 mills for the several political divisions having jurisdiction. The problem of the entrepreneur is to find a plot which to him has a physical and social value (net ordinary productive yield) worth \$100,000 per year. Really, it is a matter of indifference to the entrepreneur whether the assessment is \$500,000 with a total public rate of 20 per cent (200 mills) and no cost to obtain title (a nominal cost of say \$100 is negligible for our purpose), or if assessment is \$300,000 with a total public rate of 30 per cent and an outlay of \$100,000 at 10 per cent investment value to obtain title. The entrepreneur's cost upon money devoted to land occupancy is still \$100,000 per annum.

The entrepreneur's gamble in selecting the site is whether, if the public rates upon assessed value should increase by say 10 per cent, the increased "tax" cost will be accompanied by increased benefit to the en-

trepreneur's particular business. If he be a manufacturer with land site in the center of the town, the increased public charges might be of no corresponding benefit. If he be a merchant, an added public charge may have coincided with an increase in value of the site for the particular enterprise.

From the public assessor's point of view, let us contemplate capital as worth 8 per cent on the average, risk and secured. Site values, as such, are considered as naturally worth 7 per cent per annum of capitalizable total value, and the rate is 70 mills for all public requirements. The annual advantage of the site over the margin must be at least 7 per cent unless it is to become a burden on the other elements of the enterprise. If there be \$1,000,000 assessment upon a land site at full productive value, the annual yield at 70 mills to the governmental divisions totals \$70,000, and there remains \$10,000 per annum to the entrepreneur for which he might be willing to invest \$125,000 of capital. Thus the yearly cost of this site which is assessed at \$1,000,000 is \$70,000 payable to the governmental divisions and \$10,000 payable for \$125,000 from whatever source it is obtained, title holder or creditor. If for the sake of earning 8 per cent or more upon the remainder of capital invested in the enterprise, or for some other reason, the entrepreneur is willing to pay more than \$125,000 for title to the land site, such consideration will modify what in this particular case is the market price of the particular site.

We may still think of the entrepre-

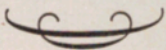


neur as devoting practically \$1,000,000 to his land site, as that amount invested with a yield of \$80,000 to take care of the yearly costs of the site. From stockholders or creditors he obtained \$125,000 for direct investment in land title and \$875,000 for extended investment in equipment of the enterprise. Or, the margin in his enterprise may obviate the need of raising the \$875,000 at all, the natural use value of the site being covered by the other earnings of the investment but thus reducing the net profit of the more limited operation.

Let us note that the "market" value of the site we have just been considering is \$125,000 and if \$70,000 is to be obtained for use of the governmental divisions under statute which requires "assessed" values to be tied with but small modification to "market" values, the rate of levy needed is 560 mills upon that valuation, although it would be only 70 mills upon total productive capacity of \$1,000,000. The officially assessed value of real estate, as in Pennsylvania for example, is likely to be the basis against which statute permits only a

limited rate of tax to be applied; and further, it is the initial basis upon which is computed the borrowing capacity of a local community. Statute is apt to direct that assessed value be "actual" value, and the courts until now lean heavily upon "market" value as to what shall be designated the actual value.

It is to be borne in mind that to the degree that the ideal of devoting to public use all of the site value rentals comes more and more to be realized in practice, market value will approach zero. Hence anticipatory amendments in current statutes may well be sought to insure that *actual* value in the minds of assessors, and in the view of the courts, shall be determined not as necessarily close to market value, but rather tied to market value after adjustment to eliminate the effect of whatever may be the total of public rates levied upon the site. The removal of limit upon rates that may be levied upon land, and statutory language requiring full valuation according to potential productivity are of a piece with desirable public revenue reform.



William Quasha of Manila, a former member of the faculty of the Henry George School, will return to New York next month for a visit to the school. He left New York in 1942 to join MacArthur's staff and fell in love with The Philippines, resolving to make his home there. Now a corporation lawyer in Manila, he is actively interested in taxation reform. His latest project for Henry George education there was the purchase of 100 copies of *Progress and Poverty*, also copies of *Taxation's New Frontier* by Joseph S. Thompson, and reprints from the House and Home issue of August, 1960, devoted to land. He has been giving these to prominent senators and to professors in universities and reports that the letters of appreciation he received are most encouraging. This gift was incorrectly attributed to Lancaster M. Greene of New York in the December HGN (page 15). Mr. Greene visited Mr. Quasha in Manila recently, but it was Mr. Quasha who paid for and distributed *Progress and Poverty* and other literature.

As Masonic Grand Master of the Philippines this year, and past commander of all their American legions, Mr. Quasha is in a unique position to bring the land problem to the attention of leaders of thought. He will attend the Masonic Grand Masters' Conference in Washington, D. C. in February.



# An Australian Viewpoint

by W. H. PITT

HERE in Australia, eighty odd years of tenacious work has got most of the municipalities to levy their revenues against the annual value of land, thereby exempting improvements. Though it is vastly beneficial—the legislation is largely so worded as to levy against the “unimproved capital value,” i.e., the selling price.

Expenditures for police and education, which in the U. S. and other places are financed by the municipalities, are here financed by the states who levy the usual host of nuisance taxes as well as a small land tax and get grants from the federal funds. However, the total levied against the annual value of land is substantial and has notably encouraged better land use as well as having put a bit of a brake on land prices.

An interesting side-effect in municipalities using the Georgist system has been not only to improve building standards but to attract people and business to these municipalities away from adjoining areas not on the system. Thus a partial and localized application of the Georgist reform may mean lowered land prices elsewhere rather than on the spot. Evidence builds up, too, indicating that the relative soundness of the Australia economy is due almost solely to this slight application of the Georgist reform applied by the municipalities and added to the effect of the state land taxes. The economy would be sounder still were these taxes applied without graduation or omission.

While municipal use of the Georgist principle continually widens, and efforts reach out to extend it to other levels of government, counter pres-

ures are evident. Incompetence in valuation methods gets encouragement, thus reducing the impact of the Georgist system; and there are calls for state “hand-outs” in the attempt to reduce municipally levied revenues. Fortunately, the legislatures lately are insisting on more competent valuing, and municipal leaders seem to be realizing that a “mendicant” policy undermines local government prestige.

Meanwhile, the politicians adjust their haloes each time there is a hand-out and jump on the band wagon to decry the land tax as a burden on the worker's home site. Very rarely is it noted that but for the tax on land the price of the site would be higher. Political ignorance on the subject and downright opposition seem to stem from an outlook that regards the value of land as a proper source for private income and land-price as the normal thing. Unfortunately this gets support through the legislation, as both the state land taxes and the municipal revenues are based, not upon the annual value of land but upon the capitalization that results when the annual value (rent) forms a source for private income.

Clearly beneficial though our small scale Georgist legislation is, the difficulties encountered in attempts to extend it indicate that overseas enthusiasts might be well advised to work for legislation that will base the revenue on the annual value and not on the selling price. After all, land value, in the sense of price, indicates an unhealthy condition—a state of affairs to be remedied rather than to be perpetuated by being enshrined in legislative terms.



## "Tolerable Tax Policies"

RAYMOND MOLEY, in his recent book *The Republican Opportunity*\* has this to say in a chapter entitled "Tolerable Tax Policies," Chapter 37, page 249:

"There are certain principles that should apply to all taxation. The first succinct statement in Britain of such principles is in Adam Smith's *Wealth of Nations*, published in 1776. With variations his four maxims have survived the test of time. In a somewhat different arrangement, Henry George stated them a century later in *Progress and Poverty*, measuring them against the virtues of land value taxation. Combining the Smith and the George principles to meet contemporary conditions, the four principles are:

"1. A tax should bear as lightly as possible on the production of wealth. It should not decrease the general fund from which taxes must be paid and the community maintained. It should encourage the taking of risk which is embodied in individual initiative, innovation and the expenditure of individual efforts in profitable labor. Thus, it should always encourage saving and investment in productive enterprise.

"2. A tax should be easily and cheaply collected and also bear as directly as possible upon the ultimate payer. It should be clear and understandable. The more that the individual knows he is taxed and feels the burden, the more alert he will be as a citizen in evaluating the spending policies of his government.

"3. In the imposition of taxes there

should be the least possible temptation and opportunity for corruption by the tax gatherer and for cheating, dodging, avoidance and evasion by the taxpayer.

"4. A tax should bear equitably so as to give no citizen an advantage or put any citizen at a disadvantage in comparison with others.

"I should add as Number 5 a principle that could not have been understood in the eras of Smith and George. In the imposition of Federal taxes the constitutional framework of the nation should be guarded. Many tax sources now used by the Federal government belong by constitutional right to the states and local governments. So far as possible, these sources should be returned, thus reducing considerably Federal grants-in-aid."

The author in speaking of "the moral imperative of leadership" says the conservative alternate to "the wave of the future" is a positive assertion of the imperatives of individualism, and states that "ministrations from the proliferating jumble of offices spread for miles around the Potomac Basin are eroding what has been our heritage and strength."

In assuming that our political institutions need no attention or support, Mr. Moley asserts that "we are blind to the care of the tree . . . this civilization and its political institutions are ours to cherish in mastery or meanly, bitterly to lose."

\* Duell, Sloan and Pearce, New York.





# Land, People, and History

"THE way people use their land has a great deal to do with the way they live," writes Elizabeth S. Helfman in a recently published book, *Land, People, and History*. This has often been a forgotten part of history. Somehow it has always seemed more important to keep records of kings and battles and heroes. The peasants had little to say, and the land does not speak at all."

That is an eloquent way of putting it, and in this book the author has given land a voice. The main subject matter is land use, especially agricultural, and conservation of resources; but there is also material on land tenure. Conservation is related to tenure in that abuse of land and man-made erosion are often the result of unfair systems of tenure under which landlords are eager to reap quick big profits, caring nothing for their tenants or for the soil.

Much useful historical information is brought out, and the range is surprising—from pre-Columbian America to modern Oklahoma, from ancient Babylon to modern Japan. One of the most intriguing sections is about the Hunzans of Asia, who live isolated in an unpromising environment and who have developed an agricultural system that keeps them hale, hearty and long-lived. P.S.—they pay no rent or taxes!

The book has a section on Henry George and land-value taxation, which is handled clearly and favorably.

The style seems geared for teen-age readers, but adults can peruse this book with profit. Here are a few quotations:

"Millions of people, not all of them farmers, have had to find out that you can't ignore the laws of nature without bringing disaster on yourself and the millions of other people who depend on the land. Not knowing this, or not caring, is no excuse."

"We must stop trying to subdue nature, trying to make nature do what we decide she should do. Instead, we will have to work with nature, to save the soil on our fields and plains and hillsides. We must do this for ourselves and for all the people who will come after us."

"A Nigerian chief expressed the African feeling for land ownership this way: 'I conceive that land belongs to a vast family of whom many are dead, few are living, and countless numbers still unborn.'"

Readers may order this 271 page book, *Land, People, and History* by Elizabeth S. Helfman (David McKay Company, New York), through The Henry George News, 50 East 69th Street, New York 21, New York, at the regular price of \$4.95.

—R.C.

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## HOW TO MAKE IT IN REAL ESTATE

Perhaps the ever increasing number of books being published about real estate constitutes some kind of weather-vane, for this has been heretofore almost as unpopular a subject as economics.

From Prentice-Hall publishers alone come two books for real estate men—and there must be many more. Every phase of land development, building and planning is securely shackled by laws, and these must be so thoroughly studied that an ordinary citizen can only venture into this field with a battery of legal experts.

"It must be remembered," say the publishers in this connection, "that in our growing country supply of usable land is becoming more and more limited, and laws regulating its sale and use are increasing in number and severity."



# Is LVT Catching On? Yes Indeed!

**A**MONG visitors to New York school headquarters in December was a professor from New Orleans recently exposed to Henry George's views and now enrolled in a Fundamental Economics correspondence course. "Is this thing really catching on?" he asked. For all who question this we wish we could give a full report on the many newspaper clippings that reach us confirming that it is indeed catching on.

However, since we maintain no clipping bureau and make no attempt to encourage these reports being sent, since we have so little space to comment on them, it is certain that we see only a very small sampling of the news items, editorials and letters to editors which are steadily making the principle of land value taxation more generally known.

Here, for instance, is a typical case, and it illustrates how quickly action was taken in St. Petersburg, Florida, after the executive vice president of the Chamber of Commerce spoke at a luncheon and said, "the ad valorem system is hitched up backwards. We put a premium on the sloth. If his building decays we reduce his taxes—we penalize the man who improves his property." He said the solution lies in a "land value tax" where the tax is the same on all lots regardless of the structure on them. His talk was reported in the St. Petersburg Times.

Two days later the same paper announced in its editorial column "the next big government impact seems sure to come from annual property tax bills—the first billing based on the 1961-62 general reassessment program, due in a few days. . . . Pinellas County has already taken a step, through its revaluation program, toward the goal described to the St. Petersburg Board of Realtors this week

by Dudley Jewell of the Chamber of Commerce, a newcomer, who asked for a property tax system which will favor good land use."

Mr. Jewell has urged a graded tax plan like the one in Pittsburgh, but this has met opposition and would require a constitutional amendment. The revised assessments will not be as high as market prices, but holders of great expanses of land are pretty sure to find increases, in some cases, astronomical increases. Some homeowners however will find reductions in their new tax bills.

Frederick R. Barkley, who lives in St. Petersburg and who sent the above clippings, included another from the Times of November 15th, showing that the first letter on The Times Forum page was a lengthy one written by him. It referred to the system used in New Zealand and Australian cities, and noted that for those people unfamiliar with the idea proposed by the new Chamber of Commerce manager, the answer was simple.

"These land values are created by the spending of our population for food, clothing, shelter and public facilities, and not by the title holders. Without a general public paying for the roads, streets, schools, water, sewers, police, courts and administrators, this land would have no market value except in the hope that people and facilities were coming in the near future."

In a quite different vein, emphasizing supervision of slums, is an editorial in The Denver Catholic Register concerning the high cost of the Aid to Dependent Children program. An 11-point plan outlined by Monsignor Ebel starts off with Number One—a "crack-down on the slum landlords who charge first-class rents for fourth-class flats."



# Renewed Interest In Graded Tax

PITTSBURGH newspapers in November published a summary of an Urban Land Institute Report on "Changing Urban Land Uses as Affected by Taxation." A statement was issued by the Graded Tax League of Pennsylvania, signed by John J. Motley and John C. Weaver of the Public Relations Committee, to correct a reference to the Pittsburgh Graded Tax. The following excerpts are from that report:

"A statement by James P. Pickard, author of the ULI report, that provision of open spaces, parking, etc. runs squarely against the Graded Tax . . . which is supposed to force urban land to develop into higher uses — is countered by his reminder that in depression (or uncertainty about the future) the effect is reversed. But when the tax brings pressure upon owners to sell, taxes will be capitalized, Dr. Pickard says, i.e., allowance will be made for them, so as to reduce high sale values, thus flattening or spreading the use of land over wider areas.

"Since Dr. Pickard raises the question why Pittsburgh still has slums, it should be pointed out (as he does) that the two-to-one rate on land does not apply to school or

county taxes and the combined rate on land is not twice but only 1.4 times the rate on improvements. Pittsburgh has had no promise of lower rates on buildings since 1925, and the cost of government has increased. Perry Prentice, publisher of House & Home, reporting a conference here (in the June, 1958 issue) said that Pittsburgh's very important tax policy is so watered down as to be ineffective as a slum deterrent. A much bigger differential is needed to make the tax really effective against slums. Probably also the general ignoring of the Graded Tax results in missing its psychological advantage. The city ought to be looking forward to much lower rates on improvements.

"The Graded Tax League will have other detailed suggestions and comments for submission to the Urban Land Institute and the local agencies with which it is in contact: and anticipates that early publication of the final chapters of *Pittsburgh's Pioneering in Scientific Taxation* by P. R. Williams, former chief city assessor and now consultant to the city treasurer, will be a major contribution to future evaluations of the Graded Tax."

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## BRITISH SAGACITY DIRECTED AT REAL ESTATE DYNASTIES

According to an item from The New York Times of November 11th, Lord and Lady Astor gave up their long residence in England and moved to the south of France, to protect real estate holdings in the United States from British taxes up to 80 per cent, at his death.

The Astor income is derived largely from the rent of land in Manhattan which has been rented to developers under long-term leases—one of the most valuable sites is that on which the 45-story New York Hilton Hotel is being built. Total holdings are estimated at about \$100 million.

Early this year the British Parliament enacted tax law changes which impose a new liability for estate duty on realty owned abroad by people who die while residing in Britain. This calls attention to that most lucrative source of income from real estate, the long-term leasing of land for periods of as long as a millenium. It has long been practiced by old New York families. Columbia University and Sailors Snug Harbor are the happy beneficiaries of trusts based on rentals from valuable Manhattan land holdings.





I have an idea or two regarding Alan Hornstein's essay in the December HGN. None of us can ever say too much in praise of the lucidity with which Henry George presented certain facts to so great a number of people, but I rebel at the implication that these facts are "Henry George's theory."

Mr. Hornstein uses such phrases as "rent, to George" — "George believed the solution," and "the Georgist concept," all suggesting that what Henry George wrote is still only a theory. This was admissible, say, from 1892 to 1920, but it is no theory now, it's a thoroughly established fact. As Grover Cleveland once said, "it is a condition, not a theory, which confronts us."

Nothing is "ultimate," but to describe the public collection of the public revenue as "a hopeful suggestion" would drive me out of the work of attempting to establish it. And perfection is not attainable, but I would never admit, or rather, be forced to agree, that there could be any other solution with one small fraction of its value. There will always be problems, but more evils will be corrected by "Henry George's theory" than by any other course or plan, or combination of plans that have yet been brought to light.

JOSEPH S. THOMPSON  
San Francisco

Can a tax on land values be passed on? If it can, why should the New York Port Authority object to the efforts of New Jersey and New York

officials to tax their commercial properties?

It is possible in the case of publicly regulated utilities that a land value tax might be passed on to the consumers, through an authorized increase in rates. New York City's occupancy tax, partly based on rent, is directly levied on the tenant.

L. LEO GREENWALD  
New York

We must get to the elementary and secondary teachers and make them think and study. If a small child has had no opportunity to crawl and attempt to walk, would you suddenly say to it, now run? The power or ability to think and judge can only be developed by way of the crude, childish beginnings, where the child has freedom to decide by way of making something or trying to make something, not merely by memorizing.

ALEXIS C. FERM  
Fairhope, Alabama

One of the most brilliant of Spanish Georgists, Julio Senador-Gómez, died in January, 1962, at the age of ninety. He was graduated at twenty-three from the Valladolid University as a law student and served thereafter as a Notary. In a remarkably lucid and energetic style which evoked much human feeling, he produced many constructive articles and books on the social sciences. All his writings expressed a fervent and endless love to Spain and were entirely devoted to the common weal. He was an indefatigable fighter against the arbitrary tax systems which are applied in most countries and was a realistic spirit, loving truth and justice. We will render him the best homage in furthering his work.

J. ANGLADA-PRIOR  
Barcelona, Spain



# The Henry George School in the News

**ST. LOUIS** director, Noah D. Alper, was a panel member on a KMOX TV public affairs program, "Close Up," in November, when Senator Paul Douglas of Illinois was the guest. In the discussion Mr. Alper spoke of the tendency to increase non-property taxes such as sales, gasoline, income, excises, etc., and questioned whether this was not destroying initiative, contending that if we stop government from doing so much to harm the people it will not have to be made to do so much to help them.

Senator Douglas responded with a reference to Henry George's advocacy of the land value theory, saying he thought there was much to commend it but that in practice you could probably only take the increase in land values and should not confiscate existing land values, also that the increase would not be adequate for local government, and in any case this was a matter for local adjustment. He suggested the increase might be taken to meet some of the expenses of government and correspondingly to reduce the taxes on housing.

Mr. Alper, referring to Dove's book *The Theory of Human Progression*, said we have three taxes now that are direct; the land value, inheritance and income taxes. Isn't it possible, he asked, that we should abolish the hidden taxes which are relics of kings and dictators, and simplify our tax structure so we can comprehend it?

The Senator concurred but indicated that he would continue taxes on tobacco and liquor as a restraining influence, and because such taxes are an easy way to raise revenue. He favored an income tax as the chief method of financing the federal government.

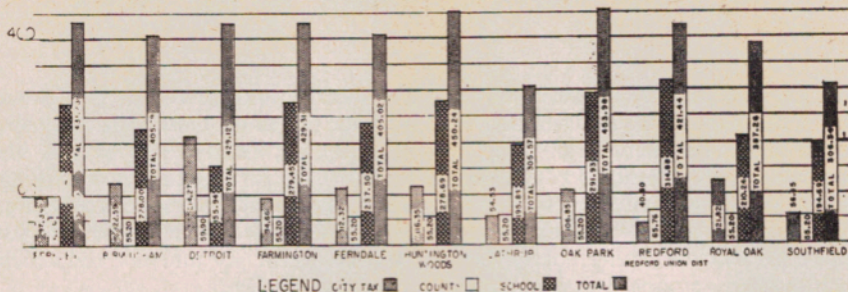
**DETROIT** director Robert D. Benton will not be taking those long bus trips to Delaware, Ohio where he and his family have maintained a charming home. They now live in Birmingham, Michigan, and we wish to all the Bentons much joy and not too much nostalgia for Ohio.

At the fall term completion meeting in December, Benjamin F. Smith, an engineer with the Michigan Fleet Equipment Company, Grand Rapids, Michigan, spoke on a plan of "Assessing for Progress." He has been speaking widely on this important topic before civic groups and social agencies. At these exercises the new graduates are guests, though others make a donation of 95 cents. Refreshments are included, also free parking and dancing in the Gold Room after the meeting.

**SYRACUSE** reports that half of those enrolled completed the basic course and that more and more people are taking a serious interest in Fundamental Economics. An Advisory Board, newly established, will meet in January to make future plans—graduates will be invited to this meeting too. Classes will have secretaries to assist the teachers in keeping records at the winter term which begins this month and includes a class in Applied Economics.

**NEW YORK** opens its winter term the week of January 7th. Applied Economics will be given three times during the week, and Science of Political Science once. A Spanish class in Applied Economics will be offered for the first time. Graduates of the basic classes may enroll for Logic, Current Events, The Corporation Under Private Enterprise, Money and Credit, Great Books or Elementary Russian.





**COMPARISON**—The above table was distributed by the City of Southfield to its taxpayers recently

as a means of informing them of comparative average-house tax factors in other suburbs and Detroit.

(Continued from page 1)

dicted last fall, will add to the city's finances much of the revenue that has been lost through low appraisals.

City, county and school taxes paid by Detroit and ten suburban communities where redevelopment programs are in progress, were reported in the table given above from the Detroit News. Of these, Southfield (at right) shows a tax total lower than any other suburb but one.

Another item on page one of the December 6th issue of the Southfield Sun stated that "a grinning Mayor Clarkson had a street named after him." Visitors to the annual conferences of the Henry George School, who have seen the Clarkson grin, are not surprised that the residents are pleased with their mayor. Let us hope that the next occupant of Southfield's City Hall will be named after Clarkson Avenue!

## ROADS FOR ROCKETS

Who says the land is of decreasing importance in the air age? The Insider's Newsletter reports that rocket experts are more concerned about how to get solid-fuel rockets for the Titan III booster over the surface of this planet than into the air. These will be assembled in California and must be transported to the Nevada proving ground and to Cape Canaveral for launching.

In order to carry the components, 33 feet wide, about 75 feet long and weighing more than 40 tons, over the 435 mile move to Nevada, estimated alterations in railroads and highways will be made at a cost of several hundred thousand dollars. In the "wide open spaces," which must be shrinking rapidly, engineers plan to bulldoze a wide and costly swath to serve the limited purpose of sending the Titan into space.

Mr. Robert Clancy,  
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