

# HENRY GEORGE NEWS

"We have a long and a hard fight ahead of us. Possibly, probably, for many of us, we may never see it come to success. But what of that? It is a privilege to be engaged in such a struggle. This we may know, that it is but a part of that great, world-wide, long-continued struggle in which the just and the good of every age have been engaged....."

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March 1979

## Pittsburgh breakthrough — Part 2

# THE GEORGISTS DID IT

by STEVE CORD

Pittsburgh, Queen City of the Incentive Tax, will almost double its tax rate on land for 1979 without increasing its building rate at all. And Georgists led the fight to support Councilman Bill Coyne — prime mover of the campaign.

The Georgists of Pittsburgh are few but active. We peppered the newspapers with letters to the editors. In this, John Weaver was our leader with three letters published (and it was he who had first made contact with Bill Coyne and who has been the moving force behind the Graded Tax League for nearly three decades).

Among others were Robert Kennedy, William Schlenke, Marian Hahn, Daniel Sullivan and the Schoyer brothers. We also supported Bill Coyne at public meetings, and provided advice and statistics upon request.

The fact is that the only letter writers supporting the land tax were from us Georgists! In truth, there was not much public discussion of the huge tax increase but whatever public outcry there was came to the support of the wage tax over the land use tax!

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**"Councilman Bill Coyne, the real hero of this story, has been a frequent visitor to our Graded Tax League meetings and was the first to notice this new possibility. Coyne is young, courtly in manner, and the councilman who had received most votes in the recent council election; he was elected chairman of the Democratic Party in Pittsburgh this past summer."**

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Never mind our arguments that a 1.5% wage tax would have cost the average wage-earner \$240 a year while a 70 mill land tax raising the same amount of revenue would have cost the average homeowner only \$80 (and some families have two wage-earners).

Many taxpayers didn't really believe such cold facts and said that anyway they'd prefer to pay a higher wage tax than a land tax—it was more convenient since it rose and fell with income—while the land tax was a huge annual expense which had to be paid whether there was income on hand or not.

In addition, it is payroll-deducted and so the worker is not

very conscious of having paid the tax at all. (This points up an important moral for us: the land tax should be deductible from wages just like the wage or income tax is. Also, the land tax should be deferrable for poor people against the future sale of their property. These changes will make the land tax more convenient to pay and more politically acceptable.)

Then our opponents raised the poor widow issue: what about those poor elderly people on fixed incomes? They don't pay a wage tax but would pay a land tax, either as homeowners or as tenants.

To which we replied: there were many more poor wage-earners than poor on fixed incomes and they would suffer more from a wage tax.

We didn't even try to present the involved argument about how a land tax cannot be passed on to tenants. We merely pointed out that the 48 mill increase could result in a 2%-5% increase for apartment renters at the most, which is a much less onerous burden than a 1 1/2% tax on gross wages. (cont'd on Page 4)

# SCHOOL NOTES

## SAN FRANCISCO BEAT !

New Northern California executive directors — **Charles Turner** and **Robert Scrofani** — have jumped into action.

### "Reception"

On Saturday, March 17th at 5 pm, a Reception honoring **Dr. William Filante** newly elected Marin County Assemblyman begins at the San Franciscan Hotel. You're invited. Ask for the Henry George Suite.

### "Wanted !"

Friends contribute services : **Ingo Bischoff** is getting the school a telephone answering machine; **Mike Trigg** helped paint the office.

Useful would be a cheap or free (but good!) donation of an electric typewriter. Contact Laurie at the office. Call DO 2-7944 any morning.

Some books are in short supply. Wanted are copies of **Protection or Free Trade**; **Land Question**; and **Science of Political Economy** for advanced classes. Send them in — they are needed.

### "Who's Who"

Northern California's Board of Directors come from a wide area around the Bay. President **Robert O'Donnell** is from San Rafael; VP **Ingo Bischoff** is from Pleasant Hill; Secretary **Joe Casey** resides in Castro Valley. Other Board members:—

<b>Don Rivenes</b>	(Berkeley)
<b>Bob Roelofsen</b>	(Mill Valley)
<b>Joe Husar</b>	(San Francisco)
<b>Mary Frances Smith</b>	(San Francisco)
<b>Mark Schwier</b>	(San Francisco)
<b>Al Haldeen</b>	(Hayward)
<b>Ward Lamon</b>	(Alameda)
<b>Clay Berling</b>	(Berkeley)
<b>Gordon Lisher</b>	(San Francisco)
<b>Muriel Mackeprang</b>	(Oakland)
<b>George Anderson</b>	(Carmichael).

### "Centennial"

The Committee chaired by **Terry Newland** is preparing the best ever conference for August. Housing will be needed for out-of-towners from all over the world. If you can supply a room or two, contact Terry at School Headquarters (DO 2-7944). You'll get some interesting guests.

## "Spring Semester Classes"

Wednesday, April 4th

**Upper Haight**  
117½ Frederick Street  
San Francisco

**Fort Mason**  
Bldg #312 — Room 2 K  
San Francisco

Thursday, April 5th

**Henry George School** — Room 1009  
833 Market Street  
San Francisco

**University Avenue Coop.**  
1414 University Avenue  
Berkeley

**Corporate Planning Consultants**  
1715 Lincoln Avenue  
San Rafael (behind Colonial Hall)

All classes begin at 7 pm

Personal contact is the best way to enroll good students. Take time out NOW to consider some choice prospects among your friends and phone their names to the school. A special invitation will be sent over your name. Call or write at once !

## LOS ANGELES GOES NATIONAL !

National Review carried "The Lost Tools of Learning"... **Hank Greenberger** of Culver City, California, replied :

Dorothy Sayers discussed an almost lost method of instruction which has been put to . . effective use by Harry Pollard, president of the Los Angeles Henry George School . . Mr. Pollard was able to get permission to introduce several . courses in . . high schools to instruct students in classical economics. . he finally settled on the Trivium procedure. The students spent a few days learning the basic truths of a phase of economics, including library research and preparation for a debate which . . . featured one student, the advocate, who put forth a proposition for his team. The opposing team attacked this proposition . . The method was successful beyond the most extravagant hopes of its deviser.

1. The students learned . . faster than the teachers . . . 2. The students were fantastically enthusiastic. Concepts . .

## LONG ISLAND ALUMNI MEETING

The January Meeting of the Islanders decided inflation was the number one 'immediate concern'. Next month the issue will be discussed by a top flight panel. **Albert Coletti** — president of the Design Capital Group of Melville, **Richard Rocchio** — Executive VP of Oil Heat Institute of Long Island (and former Energy Resource Director for Nassau County), and **Oscar Johannsen** — trustee of the New York Henry George School and the Schalkenbach Foundation, will dissect "Inflation : How can it be controlled".

Tuesday, April 10th is the date. The location is the Plainview-Old Bethpage Library in Plainview on Old Country Road. The meeting starts at 7.45 pm. Alumni and friends are welcome.

## NEW YORK ELECTS 1979 TRUSTEES

Members of the New York Henry George School elected the new Board of Trustees for the current year. **Glenn Weeks** had been appointed to fill a vacancy late last year. He was re-elected. Joining the Board are **Freyda Ossias** and **Steve Cord**. The Board reflects a policy of less insular membership. **Paul Nix** stays as President with **Oscar Johannsen** as vice-President, **Lancaster Greene** as Treasurer, and **George Collins** as Secretary. The full Board is now :

<b>George L. Collins</b>	Pennsylvania
<b>Steven Cord</b>	Pennsylvania
<b>William P. Davidson</b>	New York
<b>Lancaster M. Greene</b>	New York
<b>Col. E.C. Harwood</b>	Massachusetts
<b>Oscar B. Johannsen</b>	New Jersey
<b>Mitchell Lurio</b>	Massachusetts
<b>Jerome S. Medowar</b>	New York
<b>R. Dean Meredith</b>	New York
<b>Paul S. Nix Jr.</b>	New Jersey
<b>Freyda Ossias</b>	New York
<b>Leonard T. Recker</b>	New York
<b>Glenn Weeks</b>	New York
<b>Arnold Weinstein</b>	New York
<b>Si Winters</b>	New Jersey

became part of the vocabulary of the entire student body . . 3. . formerly mediocre students became team leaders . .

The courses have been given to about a hundred thousand students. Mr. Pollard has packaged the material, and it is available to . . schools . . His record verifies Miss Sayers' contention that the Trivium should be restored as an educational tool.

# The story behind Pittsburgh

by Steve Cord

In 1978, the tax rate on land assessments was 49.5 mills and on buildings it was 24.75 mills. A mill is a \$1 tax for each \$1,000 assessed value; hence, 49.5 mills is equivalent to 4.9% or \$4.95 per \$100 of assessed value.

In 1979, the land tax rate will be increased by 48 mills to 97.5 mills, while the building tax rate will remain at 24.75 mills. A 48 mill increase on assessed value is equivalent to 16% of estimated market land rent (assuming an assessed to market ratio of 3:1). This is a significant enough increase so that its economic impact could be measurable, which opens up all sorts of possibilities for our movement.

Since 1925, state law had mandated that both Pittsburgh and Scranton tax land at twice the rate of buildings, but in 1976 Pittsburgh voters approved a Home Rule Charter, giving the city government expanded powers, one of which could be interpreted to be that the city could change its property tax rates.

Councilman Bill Coyne, the real hero of this story, has been a frequent visitor to our Graded Tax League meetings and was the first to notice this new possibility. Coyne is young, courtly in manner, and the councilman who had received the most votes in the recent council election; he was elected chairman of the Democratic Party in Pittsburgh this past summer.

The next ingredient needed was the startling news that a deficit of some \$29 million in the city budget was projected for 1979. The previous mayor, Pete Flaherty, had postponed many expenses and had put many city employees on federal C.E.T.A. funds, which is no longer allowed. When Bill Coyne said he wanted to fund the whole \$29 million by an 80 mill increase in the land tax, I replied: "But, Bill, will it go politically in this year of Proposition 13?" (I am accustomed to fighting hard for 4 or 5 mill increases). He replied with moral indignation, saying that the only major alternative was a tax on wages, and he was definitely opposed to putting the whole cost of the increase on the backs of the already over-burdened working man. I was conscious of a certain

(continued on Page 4)

Dear Mr. Smith

London Georgist Christopher Mill is a world traveller. He met Ian Smith in Rhodesia and has been trying to 'enlighten' him ever since. This letter was written to the "Morning Herald" of Sydney, Australia — where Chris now resides.

... Although I know that Rhodesia has survived only because her economy is among the freest in the world, I do not know how much longer she can continue unless her government extends the principle of free trade to its final and logical conclusion.

I am referring to the absolute moral and practical necessity of the Rhodesian government taxing **without delay** the full value of all unimproved land and natural resource ownership, while simultaneously abolishing all taxation on the productivity of labour and capital.

You will recall that — according to the report of the massacre of survivors from the airliner shot down near Kariba, the terrorists said, before shooting their victims, "You have taken our land. We are going to kill you all."

Without condoning this excuse for a war crime — full land value taxation, administered by universal suffrage, multi-party, representative government — is the only way I know, by which all the people of Rhodesia, irrespective of individual productivity, may enjoy a fair share in the ownership of their land, without harming their economy.

In fact, it is the only form of taxation which, instead of crippling the individual's incentive and making it more profitable for him to hold natural resources out of production, actually persuades him to realize their value by producing wealth that isn't taxed.

I ask both defenders and enemies of Rhodesia alike: What other policy can meet the just demand of the unenfranchised majority for political equality while safeguarding the right of the individual to the full reward of his own labour and capital?

**Maybe Hope! :** "That does not mean that we will be taking people's land. . . . if they have to pay some rates or rents, that will go to a general fund of the people. In this way citizens can use as much land as they want; . . . The land belongs to the people but everything on that land is yours."

**Joshua Nkomo: Zimbabwe African Peoples Union**

What other policy can guarantee that the majority will protect the rights of the individual in **its own interest**? And what other policy can delineate so equitably a rational and morally defensible relationship between the individual and the state?

One recalls that in Vietnam, the free world tried to defend freedom in alliance with landlords. In Rhodesia, I see that it is now trying to do so in alliance with terrorists, who although opposed to landlordism, are equally opposed to multi-party representative government and the rights of the individual to the ownership of his own labour and capital.

I wonder when the governments of the free world will even condescend to understand, let alone defend, those values which alone can sustain freedom — whether in Rhodesia or anywhere else.

They should be warned that their understanding will begin only when they learn to distinguish between **unearned** "property rights" in land and Man's **earned** and inalienable right to full ownership of his own labour and capital.

( cont'd from Page 1 )

We also pointed out that the elderly poor are entitled to a property tax refund of up to \$400 from the State Lottery Fund.

Our opponents also claimed that the tax would hurt business in town and burden real estate developers with a sudden heavy tax burden. To which we replied that it was just the reverse.

A tax on land is not a tax on productive business enterprise and would make poor land use uneconomic, since an inefficient land user could not make enough income to pay the tax and earn a fair return on his building.

The 48 mill tax would not be onerous to business: Kaufmann's Department Store, for example,

would pay only about \$6,900 additional land tax from gross annual sales of \$88 million (0.000009%!).

Besides, taxes on business are even higher in the surrounding suburbs and also much of the land value in Pittsburgh is owned by out-of-towners: why not tax them? (This last argument can be used in most every city and has political pow!)

And so the Georgists in Pittsburgh, so few in number (and only a minority have ever attended national conferences) can legitimately claim that our presence made a difference, although to be sure — without Bill Coyne we would still be howling in the wilderness.

About ten years ago, we were able to stop a rescinding of the 2 : 1

(see Page 3 for the background to the Pittsburgh story)

Incentive Tax. Without us now, there would have been no land tax increase to 3.94 : 1. But we must hold classes in Pittsburgh to strengthen our flagging forces.

Maybe we'll get our bandwagon moving yet, when we see the impact of the 48 mill tax in a year or so.

We now have our best opportunity to measure this impact ; a 48 mills increase is plenty big enough for that. If the study shows what we expect it to show — an increase in building permits — maybe than city governments across the nation will sit up and take notice.

The figures from Australia very clearly show that land taxation brings economic development, but similar figures from an American city may seem more real to American politicians.

( cont'd from Page 3 )

impropriety in giving political advice to this successful politician while he quoted moral arguments to me, and so ceased my doubtings.

Finally, the Mayor, Richard Caliguiri, formally proposed to raise the bulk of the deficit with an additional 1.5 % wage tax. (This tax has the distinctly uneuphemistic name of "earned income tax".) He also proposed to raise some additional funds

with a 7 mill tax increase on land only, plus some other nuisance taxes.

The City Council cut his budget request to \$23 million, and with Coyne's leadership, they proposed to raise this by a 70 mill increase on land tax only; no other additional taxes! The measure passed 5-4 in council.

The ill-advised mayor threatened to veto this. A two-thirds override, meaning six votes, would have been required, so

under this pressure Council voted 8-1 to increase the wage tax by 1/4% and to increase the land tax 48 mills. In effect, the land tax would have raised about 80% of the additional revenue needed.

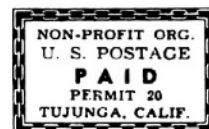
In a surprise move, the mayor vetoed this compromise, but after much dickering, at 6 pm on Monday, December 31st, the City Council met and overrode his veto by a 7-2 vote. After an exhausting week of hope and despair — victory!

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