

Tax Land . . . It Can't Leave Town

IF exponents of Henry George's views in the past avoided using his name it was because he was regarded by some as rather old fashioned. That is changing rapidly as more editors and columnists on newspapers express a serious interest in George's proposed reform.

In Philadelphia, his birthplace, one can see the very bed in which he was born and the desk on which he wrote *Progress and Poverty*. The Evening Bulletin, in claiming him kindly, referred to him as a "poor and sensitive high school dropout" (from Central High School) nearly a century and a half ago. But his influence is still there as students gather at the narrow red-brick house at 413 South 10th Street, now the headquarters of the HGS extension.

In Philadelphia and nearby Wilmington, Delaware, there has been a concerted protest from the suburbs. Some of the Delaware residents see that land value taxation would be a protection to them because of its ability to stave off a threatened county-wide wage tax with most of the proceeds going to Wilmington, where there are more than 2,000 boarded up buildings.

George L. Collins, director of the Philadelphia Henry George School, addressed a public hearing at the University of Delaware and pointed out that the city's general deterioration was due to the tax on buildings which hampers improvement. "If city services are to be improved without impoverishing those who must pay for them and without stimulating land speculation," he said, "you must adopt some form of land value taxation."

Awareness of a need for property tax reform is certainly growing. There are some who insist that "some other" means of taxation must be found. To this Mr. Collins replies that most other means have been exhausted. People have finally discovered, he said, "that land is the one thing they can tax which cannot leave town." Southfield, Michigan was mentioned as a city similar in size to Wilmington, where the county grew systematically after a modified land value tax was adopted. Not only did no businesses leave town, but a number of distinguished companies moved in to establish headquarters there.

A Taxpayers' Revolt organization, with Frank E. Nelson as chairman, has presented the LVT issue objectively, following a study of the striking advantages gained in Southfield. Members of this group believe that Wilmington should be able to carry its own financial burden without a tax on incomes. They agree that the present real estate tax is regressive and discouraging to property improvement and that an early adoption of the system of LVT is needed.

One of the most capable spokesmen at public meetings has been Edwin P. Neilan who, while president of the Bank of Delaware in Wilmington, headed a study committee for finding more efficient and equitable ways of raising city revenues. Five years ago he was introduced to George's views by Mr. and Mrs. Frank T. Stirlith, who were life-long advocates of this reform. Mr. Neilan quickly understood the virtues of the reform and he said recently that correction of under-assessments in the city was "the highest priority."

Suburban residents of Philadelphia are getting their indoctrination in the form of land booms, pay-offs and zoning stunts. They are learning that to "play this game profitably, it helps to have friends on zoning boards," and to own property close to a planned super-highway, industrial park or commercial project.

The list of those who have struck it rich is long. A typical case is a 14-acre tract along the Germantown pike bought for \$35,000 in 1961 and sold seven years later for \$800,000. The value of this land soared when its zoning was changed one week after the owner's election to the township's board of commissioners.

In New York the fight goes on to find a suitable jetport to relieve the present congestion. The frenzy that has been stirring the Los Angeles area may be matched in Orange County, New York, where the Stewart airport is being eyed for possible use, amid protests from residents. This is near Sullivan County where David Bell has been writing newspaper articles to acquaint the public with the need for a land value tax. The Newburg area is suffering the worst effects of poor tax assessment planning and speculation in land is rampant around the present airport. Unless Orange County takes steps to reform its assessment procedures, Mr. Bell predicts it may experience the same urban sprawl and congestion that plague Nassau and Suffolk County in Long Island. Perhaps someone has been paying attention to him, for a county-wide re-assessment is being considered.

In Rochester, New York, some of its oldest businesses are leaving town and moving to other states because of high taxes and unfavorable business conditions. Eastman Kodak Company is building a large plant in Colorado. Other firms plan no more expansion owing to the state's tax climate.

The City Manager, Kermit Hill, has said that the property tax is an "archaic and unfair" way to finance local government. While the property tax discourages industrial development in Rochester, he contends that a local income tax on top of the existing state and federal income levies would spur an industrial exodus from the city.

Since assessments increase when a house or building is modernized

or expanded, the property tax discourages improvement to property. He said it would make more sense to increase an assessment when a house or building deteriorates and reward a property owner who fights blight, but he admitted that this could be an administrative nightmare.

Another approach Mr. Hill and others have suggested is Henry George's "single tax." By taxing land only and not the buildings on it, the property tax would be more commensurate with ability to pay and would make land speculation more costly than it is today, the City Manager said. But it will take a fiscal wizard to come up with a substitute for the property tax, bad as it is.

Take the matter of reassessment. Barbara O'Reilley, writing in the Rochester Times-Union, described Irondequoit, a town of 132 years, as one developed almost to its capacity with only 5 percent of its land undeveloped. In all that time the town has never been reassessed. Most of the approximately 20,000 taxable properties are taxed at the value they held when they were built.

She quotes a special assessment consultant who says a re-evaluation or assessment equitability program is imperative and should start immediately, since it is already at least 15 years too late. Most board members agree that a reassessment of the town should be looked into but the cost of reassessing 20,000 properties is a major determining factor. It could cost a quarter of a million dollars, and that money, they say, would not produce any new properties for taxes.

Several of the above considerations are verbatim quotations from letters sent to various upstate newspapers by Clayton C. Bauer of Spencerport, New York.

The St. Louis Post-Dispatch is another newspaper where Henry George was brought into a similar discussion by Comptroller Poelker who quoted George as saying that the owner of a vacant city lot would have to pay as much for the privilege of keeping other people off it as his neighbor would who has a fine house on his lot.

Glancing from his office window in City Hall at a parking lot, he said *that* land was far too valuable to be used for that purpose and it would be helpful if he could say "we're going to assess your land at its true value, so you'd better build a five-story garage if you want to get your money's worth out of it." Mr. Poelker believes the principal reason why the state legislature would not go along with such a change is that people would be afraid it would be applied to farm land.

Every newspaper editor in St. Louis certainly owes some part of his property tax education to Noah D. Alper, president of the Public Revenue Education Council which has been in existence twenty years, not ten, as incorrectly proclaimed last month.

Henry Tideman of Chicago has called attention to the fact that many new Chicago high rise buildings were erected after a secret promise of low tax assessments, and the local assessor's office is raising their valuations to bring them more into line with those of other construction. This change may put an end to the local boom in buildings of this kind.

It is the more regrettable because of a recently adopted state constitution which gives the city power to classify property for the purposes of taxation. Under it, all buildings could be taxed at only half the rate levied on land, in effect granting to all construction this same desirable encouragement. This constitutional change came as a result of the efforts of Georgists who spoke before the revenue committee of the constitutional convention and showed the film "One Way to Better Cities."

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IN LOS ANGELES under direction of Harry Pollard, a "classical analysis" of economics was introduced at the tenth annual conference of the California Council for Social Studies in March. There "The Land Question in History" was discussed along with ecology and new goals for cities, by a panel consisting of Robert Scrofani, Dr. William Filante, Dr. Margil Wadley and Mr. Pollard. Dr. Duval Jaros and John Nagy of San Diego also participated in a session where an audio visual presentation of the law of rent was demonstrated. This was greatly appreciated by teachers of social studies, more than a thousand of whom registered for the conference.

At a popular exhibition booth, well stocked with various Henry George materials, over 600 copies of "The Classical Analysis for High Schools" were distributed. It was regarded as a foundation for sustained dialogue in teaching, and many said the presentations of the HGS alone made the conference worth while. Further related material was requested by 140 of the registrants.

The program is now ready to be released to schools requesting training for teachers in classical analysis and Socratic questioning. A periodical soon to be circulated to educators will advocate teaching the social sciences as *sciences* rather than as descriptive disciplines.

At the forthcoming international Henry George School conference in San Francisco, July 7th to 11th, there will undoubtedly be a great deal of interest in Harry Pollard's approach to this "classical analysis of Political Economy created through the efforts of many great thinkers of the 18th and 19th centuries, including Henry George."

Mr. Pollard has been a radio personality on the West Coast so long that his popularity is taken for granted. He is presently offering "The Philosophy of Ralph Borsodi" in a series of 8 half-hour radio talks. Borsodi was an early "ecologist" who warned about the fate of cities long before anyone else had the wit to worry.

But Pollard comes on strong in his live performances too. He spoke on "The Laws of Ecology" to 450 high school students, and to another 320 he revealed "The Knowledge of Truths and the Knowledge of Things." He admits this was a slashing and merciless attack on statistics and statisticians. On another occasion he spoke on "The Classical Utopia of Henry George" to 24 undergraduates at the University of Southern California.