



"A throat, mouthpiece, spout." Opinions expressed herein are those of the writers and not necessarily endorsed by the Henry George School.

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TETLEY TO RETIRE

Director of the Henry George School of New Jersey since 1948, it is with regret I feel it necessary to relinquish the position. After a second heart attack and because of advancing age, I must take life easier. I had hoped to stick it out untill the end not with the idea of "glory", but because I so enjoyed being a professional Henry Georgite.

It goes without saying that I will continue to do whatever I am able to do in the movement.

This action means that I must also relinquish the unofficial post of Coordinator of the informal organization known as Henry George Groups.

If any reader of THE GARGOYLE has any suggestions as to possible replacement of the Director of the New Jersey Henry George School; and/or Coordinator of the Henry George Groups, please contact Tetley as soon as you can do so. Thanks!

I will endeavor to continue to do whatever is necessary so long as I can until my successors are obtained.
 Jack Tetley

C R E D O

A philosophy can't be a packaged solution, without soon reducing to a sales pitch - making of its proponents just salesmen and of each willing listener just another prospect. A philosophy can't be only a cause, since causes almost always end in doctrine, in propaganda, in pat responses to life's variety. A philosophy can't even stop at being a goal to achieve. Goals demand the most efficient, effective means rather than the most personal ones, and so they make the individual irrelevant.

A true philosophy can therefore be neither a solution, a cause, nor a goal. To remain a vital force, the philosophy must in its distinctive language express the personality of the one who espouses it. It must give to his being a concrete and tangible form. This means that each person has to weave again the philosophy coming his way, until it is his own. He must restate the idea, extrapolate from it, interpret it, contrast it, and finally use it as the framework for his unique experiences.

THE LAND MARKER - HGS of Chicago (See Page 3 GARGOYLE)

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DETERMINING RENTAL VALUE

To collect the full annual rental value of land is the goal of which we should never lose sight. The rental value of land, contended Ricardo, is the excess productivity over the least productive land in use. He was thinking in terms of agriculture and it was not too difficult to determine the greater and lesser degree of fertility of the soil, thence the excess productivity - the rent.

The same principle applies to other production, where site or location value become equivalent to agriculture fertility; likewise it is not too difficult to ascertain the rental value. A third category, is desirability in such instances as residential location.

For the purpose of charging the annual rental value of the land to users and distributing the fund collected to those who surrender their equal right to use such land, either directly or in the form of government services, is attainment of the goal; and the reason to determine annual rental values.

This system of land tenure might greatly reduce or eliminate the need for taxation of buildings and improvements. It seems a desirable arrangement and many persons agree. Some people however cannot conceive of a method to determine the rental value of land.

In several places throughout the world actual experience to make this determination has been attempted. One of the newest publications to set forth such effort is RATING IN NEW ZEALAND by Rolland O'Regan - available at \$3.75 from Robert Schalkenbach Foundation, 50 East 69th St., New York N.Y. 10021.

The author of this new book points out three basis which have been used to determine rental value of land. One, the "Unimproved" value of land, second, the "Annual Rental Value" - using this term to mean the amount of rent which is actually paid by a tenant for use of land and buildings, or "the amount of rent the property would yield in a year". The third method is "Capital Value Rating", this where the rent is expressed as a percentage of the market or selling value. Pros and cons of these methods are discussed in the book.

O'Regan states his book is "an essay rather than a formal treatment". While most illustrations pertain to New Zealand, Australia and Great Britain where rating is the terminology rather than assessing which is used in the U.S. and many other places, it is not difficult for the reader to grasp practical application. He makes this

comment regarding the United States - "assessments are supposed to be on market value or a statutory percentage of market value. This is the law. In practice the law is ignored and assessment is in fact largely based on land use and income received therefrom."

Another comment deserving of careful thought: "Present use rather than potential value of land development to a higher economic use generally provides the base for taxation." This should be of particular interest to those who disapprove "potential value" and it seems to this reviewer that "current market value" largely, in most instances, reflects the "potential" value without artificial determination of "potential".

O'Regan's comments on "exemptions" (54% of property in Boston) and his reference to "Nixon promised property tax reform but gave no hint as to direction reform would take" are indications of the universality of the author's thinking. One of his phrases "Essential Defect" referring to taxation of improvements - is a spicy, terse way of putting "the tendency to inhibit production of things essential to society's needs and welfare."

"It is commonly believed that rating on the Unimproved Value derives its theoretical support from the economic teachings of the American social philosopher Henry George these concepts were not originated by Henry George altho he carried their implications further than others. John Stuart Mill, David Ricardo, Alfred Russell Wallace and Herbert Spencer were among his predecessors. In New Zealand rating of the Unimproved Value of land began in Taranaki when Henry George was a boy of sixteen. Sir George Grey introduced his Property Tax of 1878 before George had made any impact at all, indeed before his famous book was published. That his ideas and his advocacy had a potent influence in Australia and New Zealand there is no doubt. It has played an important but not a major part in the spread of this system of rating."

While currently in New Zealand, as in the United States, the property tax is source of local government revenue, the first general property tax in New Zealand effected in 1876 was based on the annual rental value (actual rents received) of all property, in 1879 the second property tax was to be levied on "selling value of land - less the value of any improvements thereon. It was a national tax on unimproved value of land - it ignored rent or income. This was never enforced. A new property tax was at a flat rate on all real and personal property. In 1891 this was replaced by a Land and Income tax - land tax on unimproved value. The land tax yield 10% of

national revenue. In 1970 direct taxes on income provided 66% of National Revenue and the central government left the field of property taxation almost in its entirety to local government.

A few other statements of O'Regan are interesting - "A tax on land values merely takes for the community a small part of the economic rent where in fact the community is entitled to the whole of it." - "Everyone is a property owner." - "Rating on the Unimproved Value has proved itself; it is long past the trial or experimental stage." - "Where there is no distinction in principle there should be no distinction in practice."

Rolland O'Regan is a Fellow of the Royal Colleges of Surgeons of England and Australia and was for many years one of New Zealand's leading surgeons. Currently, among many other activities, he is a member of the Wellington City Council and Chairman of the Town Planning Committee, and since 1945, has been chairman of the New Zealand Land Value Rating Association. His new book ought to be in the library of all Henry George Schools and similar organizations which have libraries, and to be recommended to anyone doing research on Land Value Taxation or the collection of the annual rental value of land.

John T. Tetley

LABOR DAY CONSULTATION of HENRY GEORGE GROUPS

Arrangements to combine the Fall Henry George Groups Consultation with the Conference of The School for Living at Heathcote Center, Maryland were interrupted by illness of J. Tetley. However, Mildred Loomis pitched right in "carried on" with all the preliminary planning and publicity.

While report of this joint conference has not been received - below is a copy of the program as set up:

Sat. Sept. 1, "What This World Needs" Robert E. Allen, formerly Director, Henry George School, Washington, D.C.

Steven Cord, Pres., Pittsburgh HGS - Chairman: "What Henry George meant by Freedom, and How to Attain It" - Robert Clancy, Director, Henry George Institute, NYC.

Grace Lefer, Chrm., Trustee School of Living - "What It Is and Does" What are the Seventeen Major Problems of Living - Mildred Loomis, Dir., Ed., School of Living.

Edward Webster, Chmn. Int. Institute of Independence "A Dynamic Enclave Movement - Regional Land Trusts -- (a do-it-now change in land-tenure) Robt. Swann, Dir., Int. Institute of Ind.

Sun. Sept. 2nd-Goerge Collins, Chrm. Director HGS Philadelphia - Recognition Birthday of Henry George. What Place for Money Reform in New Politics and Education? - Oscar B. Johannsen, Pres., HGS-New Jersey. Constant Currency - Keith Dewey, Dir. International Foundation for Independence.

"Any prospects for Land-reform Plank in a Political Party?" - Art Ketchen, Sec. N. H. Liberation Party, Percy Williams, Steven Cord, H.G. Foundation Pittsburgh, Pa.

Oscar Johannsen, Chrm. - Proposals for the Future on Education, Strategy Action for Social Change.

Formation of Continuation Committees, Publications, Projects, Conferences.

Mon. Sept. 3rd: Workshops and Committees, Regional Groups, etc. for follow up on "Preparing for a Front-Rank Position"

Thanks very much Mildred!

NOTES

THE LAND MARKER is new publication of the Henry George School of Chicago. It is a quarterly, distributed free to graduates and to other interested persons. The first issue, Summer 1973 contains fine material. The publication is edited by Rosalie W. Schultz.

Congratulations to Lou Weitzman, Trustee HGS-NJ upon his 75th Birthday!

Congratulations to Mr. and Mrs. Arthur Hoffer, upon arrival of daughter #2, Anne Lynn. Mr. Hoffer is a member of the Board of Trustees of N.J. HGS.

Mr. Stewart D. Woolley has had to sever his membership on Board of N.J. HGS as he has permanently moved to Sarasota, Fla.

It may be necessary to skip some issues, or temporarily discontinue the GARGOYLE, pending adjustment at the New Jersey School. However, it may be possible to continue regular issues, but if some are skipped, hopefully the publication may resume normal operation.

Because it is desired to get this issue out without further delay, it is one page shorter and does not contain the familiar article by Mr. Johannsen; Salt of the Earth; and SENSE & NONSENSE - all expect to return to next issue.

As a parting word, this time, Tetley is improving and requests that for the time being correspondence be addressed to his home - 580 Alden Street, Woodbridge, N.J. 07095.

Until later -

