

Equal Rights

Volume VI, Number 1

"Equal Rights for All, Not Special Privilege for Some"

Autumn, 1975

TAX AND ASSESSMENT REFORM IN NATION'S CAPITAL

As correctly reported, the United States Congress enacted a new property tax law for the District of Columbia, prior to granting home rule powers to the District. Insofar as the law discusses separate rates of taxation on land and on the buildings or improvements thereon, the language is of the permissive or enabling form; it does not mandate site value taxation, a graded tax plan such as you have in Pittsburgh, or any differential tax rate.

I am enclosing a copy of the title of the law, and the particular section dealing with the tax on land and buildings. The same law also contains other important features: it requires assessment at full market value; and it calls for annual reassessments, effective no later than the 1978 fiscal year.

I would not wish to give the false impression that the City Council is on the verge of enacting some form of land value taxation in the nation's capital. All I can report at this time is that there is great concern here, as there is nationwide, in local government finance, in housing conditions, in a loss of jobs and businesses from the central city, and in wasteful land use patterns. A wide range of community groups here are discussing these issues, and property tax modernization is one of the constructive measures competing for attention. The League for Urban Land Conservation has launched an educational campaign to generate understanding of the relationship between property taxation and community development.

— WALTER RYBECK

COUNCILMAN URGES EXTENSION OF PITTSBURGH LAND TAX

If a city real estate tax increase is necessary, Councilman William Coyne wants to impose it on land rather than buildings. Coyne is urging immediate efforts to amend the present Graded Tax law so as to permit a higher ratio of land to building tax which since the year 1925 has been 2 to 1, the rates for the year 1975 being 49.5 on land and 24.75 on buildings.

He said he was responding to Mayor Peter Flaherty's declaration that a tax increase will be necessary in 1976 despite a projected budget surplus of \$7 million.

"If we must raise real estate taxes," Coyne said, "we should start working right now to get the state legislature to change the law to permit us to go beyond the 2-1 ratio.

Coyne said the law should allow Pittsburgh to set its own tax ratio between land and buildings in order that all of the 1976 tax increase, if one is necessary, could be placed on land. In his view, taxing buildings discourages repair and rehabilitation of homes and other buildings.

Coyne said 48 per cent of the city's taxable land is in five wards, those encompassing Downtown, Uptown, Oakland, Shadyside and Squirrel Hill. "Any tax increase should be imposed on the wards containing the taxpayers who are better able to pay. This is no new concept. It's just the old Graded Tax League idea, and I subscribe to it."

CLAIRTON PLANNING FOR GRADED TAX

The City of Clairton is interested in the idea of adopting a differential graded tax plan under the provisions of the local option tax act of 1959, and with that purpose in view, the City Council has adopted a formal resolution requesting the Assessment Board of Allegheny County to provide the City with a separate valuation of land and improvement values for all taxable real estate, a prime essential if differential land and building tax rates are to be imposed, as the established practice in the second class cities of Pittsburgh and Scranton, and also in the third class city of Harrisburg. The 1976 city budget will soon be due for consideration and as soon as separate assessments are made available, Clairton officials will be enabled to determine the probable effects of imposing a higher rate on the land value and a lower rate on improvements.

Separate Assessments Urged by Assessing Officers

The National Association of Assessing Officers, in its manual for the guidance of assessors, entitled "Assessment Principles and Practices," declares that "*Land and Buildings should be separately evaluated for tax purposes*" and explains how entirely different techniques have been developed for the wholesale appraisal of these two major divisions of real property.

"A taxpayer is primarily interested in comparing his assessment with those of others. This comparison is *greatly facilitated by separate assessment* of land and buildings."

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Editorials

Is There Any Virtue In The Income Tax?

The battle for the adoption of the federal income tax was finally won as long ago as the year 1913 when the Sixteenth Amendment to the Constitution was ratified and Congress enacted a graduated income tax as the principal means of raising public revenue. The introduction of the federal income tax was one of the most significant events in the history of American taxation. It is now a reality that cannot be ignored, so let us consider just what it involves. Has the income tax anything to offer the Georgists?

There seems to be some disposition to regard the adoption of the income tax as a forward step, as a substitute for the Single Tax, or even a better solution, that tends to render the single land tax unnecessary. Though the fallacy of this argument should be apparent, the triumph of the income tax was in no sense a Georgist victory.

The income tax is advocated chiefly on the "ability to pay" principle. This is also true of the General Property Tax. Both of these taxes work to the detriment of the community and it must therefore follow that the principle itself is unsound. Georgists maintain that the true maxim of taxation is that every citizen should pay in proportion to benefits received. If the income tax be justified, as it sometimes is, on the ground that the rich exploit the poor, it is sufficient to say that justice demands the end of all exploitation. This is the basic Georgist position.

Clearly we cannot accept the income tax as a solution of our problem, yet it was perhaps inevitable that some form of an income tax should be adopted, especially if the national government was obliged to raise enormous amounts of tax revenue.

Though the income tax offers no real solution and can hardly be regarded as a forward step it has some redeeming features — it does collect a great deal of economic rent, and incidentally may have some value as one means of promoting a better distribution of wealth. Though the graduated income tax was vigorously denounced by opposing

speakers as "socialistic," its adoption was not actually a victory for socialism. Otherwise, it would seem incredible that it met with such general acceptance not only on the part of social reformers affiliated with the Populist, Democratic, Progressive and Republican parties, including Henry George and his followers then quite active in Democratic national politics, but also later, even by more conservative officials.

The income tax is now dominant nationally and so strongly entrenched that it seems destined to be a permanent institution in the United States as well as in Europe and elsewhere in the modern world. While Georgists can never consistently embrace or accept the ability to pay theory of taxation, it is our conclusion that under present conditions, we should adhere to our strategy of concentrating on the positive promotion of land value taxation because it is apparently following the line of least resistance and greatest support, as recommended by Henry George in his memorable discussion of "Practical Politics."

This policy, however, should in our opinion be supplemented and broadened by more active participation in the current debate over pertinent national issues where the opportunity may be presented to oppose various socialistic tendencies and to join forces with other friends of free enterprise, and thus strengthen the movement to combat and eventually to eliminate not only land monopoly but all other forms of monopoly and special privilege.

— PERCY R. WILLIAMS

California Initiative For Local Option In Taxation

A local option initiative for California proposed by Robert Tideman at the annual Conference of Land Equality and Freedom and approved by those members present, has been drafted in legal form with the help of expert counsel.

It "proposes to the people of California that the Constitution be amended by adding Section 34 to Article XIII thereof to read:

"34. (a) Improvements and personal property may be exempted from taxation or taxed at a lower rate than land.

(b) The tax rate limits and debt limits of any local government which exempts improvements and personal property from taxation, or imposes a lower tax rate on improvements and personal property than on land, shall be adjusted to allow the same tax revenue and debt as if all property were taxed equally."

A second proposal was made by Floyd Morrow, Chairman of the Board, and chief executive officer of LEAF. Morrow's proposed initiative states that government, "as a trustee for all the peo-

The Choice: Georgist Progress or Socialist Poverty

This is the title of a book written by Graham Hart, a leading Western Australian Georgist. His basic contention is that our irrational, indeed immoral system of taxation, which is essentially socialistic, is heading our nation toward ruin. This system operates whether it is under the policies of explicit left-wing socialism, or under those of the conservative parties, which, labels notwithstanding, are also essentially socialistic to a large degree.

The following passages give an example of the author's trenchant style:

"Modern forms of taxation which violate human rights are stupid and unnecessary. To tax one man's income because he has been industrious and exempt that of another because he is lazy and will not work is more than stupid, it is wicked.

"To tax a dead man's estate, intended to support his widow or bereaved children is inhuman.

"Some people are forced to join a union pursuing policies opposed to the beliefs of those concerned. Some people are fined because they improve their properties, while those who allow their properties to fall into disrepair pay less.

Furthermore, it must be kept in mind that many incline to socialism or social welfarism, not out of a desire to dominate others, but, unaware of the Georgist alternative, genuinely believe that only thus can injustice be rectified.

A great virtue of the book is the author's willingness to tackle issues which Georgists generally do not consider. Thus the Georgist message can be seen to have a relevance far wider than that usually emphasized, and the pioneering spirit underlying many of the essays is to be highly commended. Another feature is the sense of urgency in view of the problems facing contemporary society. This is very effectively communicated in pungent, trenchant language.

— G. A. FORESTER, B.Sc., B.A.
Associate Editor, "Progress"
June, 1975

ple, insure that land is used for the benefit of all," and that "land users and occupiers (who also serve as trustees for all the people) insure that land is properly used and protected for the benefit of future users."

This measure would essentially limit fee ownership of land to only those who both occupy and use the land. It would create County Public Lands Commissions to administer the law.

The proposed amendment also provides that the value of property which may be taken for public purposes shall be based on the average of the assessed value for the previous five years.

The Power of the Intellectual

As the nation and for that matter the world turns increasingly toward socialism, the question naturally arises, how did this occur. Why should America, which has been dedicated to the principles of private enterprise, be so avid in its efforts to overthrow these principles in favor of governmental interventionism? It continues to do this while all the time its politicians constantly bemoan the increasing role of government and the need for less interventionism. If the noted Austrian economist, F. A. Hayek is correct, it is because of the intellectuals.

Everyone likes to believe he is an intellectual even if he does not call himself one, because everyone associates the intellectual with intelligence, and, of course, we all like to think that we are intelligent.

To Hayek, intellectuals constitute a class of people. They are journalists, teachers, ministers, lecturers, publicists, radio commentators, fiction writers, cartoonists, artists, as well as professional men, as scientists and doctors. The fact that they are intellectuals does not mean that they are necessarily very intelligent. Most of them may be incapable of coming up with original ideas, but whatever ideas they do have they can pass on quite convincingly to others.

Not having a practical turn of mind and yet having an emotional bias toward the unfortunate, they too easily succumb to the blandishments of the socialists, who portray a utopia which superficially appears possible. "To each according to his needs, from each according to his ability," sounds very fetching. Only when one tries to run a business on such principles does he learn that human nature does not operate that way. The man of ability isn't going to support the man who needs. He probably suspects he's just lazy.

But the intellectuals never really understand this. It all sounds good and being experts in spreading ideas they become the means by which socialistic tenets are spread among the populace. The TV audience listens to some commentator who in discussing current events cannot help putting his bias on his interpretation. Since his bias is socialistic, whether he is conscious of it or not, his interpretation tends to veer that way.

Unfortunately, since the intellectuals have adopted socialism, consciously or not, the populace is constantly inundated with the socialistic ideas, and usually done with brilliance for, as mentioned before, intellectuals are masters of purveying information.

The intellectual has power — the power to communicate ideas. The Henry George Schools should try to reach the

Readers' Forum

Today I received the fine issue of *EQUAL RIGHTS* — you are to be congratulated on this, and please give my congratulations to John Weaver for his splendid and comprehensive coverage of the conference.

Busey seems to be doing just fine with the Denver folks and his "Lure of Socialism" article I think very good. I liked Cord's "What Can Any One of Us Do?" and Hickok's "Inflation Out of Control." Your editorial — excellent! The entire issue, just great.

— JACK TETLEY
Woodbridge, New Jersey

You are to be congratulated on coming to grips with our present overwhelming trend toward socialism in Vol. VI, No. 4. Thank you for a wonderful issue of *EQUAL RIGHTS*.

— TRILBY WOLFF
Ft. Lauderdale, Florida

Land Value Tax Cannot Be Shifted

If land is taxed according to its pure rent, virtually all writers since Ricardo agree that the tax will fall wholly on the land owner, and that it cannot be shifted to any other class, whether tenant, farmer, or consumer. The point is so universally accepted as to require no further discussion.

— E. R. A. SELIGMAN
Shifting and Incidence of Taxation

Land Value Taxation In California

On February 28, 1975, the San Diego City Council voted to establish North City West, a projected subdivision of 4300 acres with an anticipated eventual population of 40,000.

What makes this action unique is that by unanimous vote of the Council, all public capital improvements for this community-to-be of 14,000 homes will be paid for by a tax on land values. To this extent, all improvements will be tax free. 88 per cent of the landowners in the area indicated that this is how they desired the development to be financed.

Councilman Floyd Morrow, Director of Land Equality and Freedom, was the guiding force behind this action. He reports that there may be some legal technicalities to take care of yet, but he expects that soon San Diego will have a Land Value Tax Suburb.

— Square Deal (Canada) May, 1975

intellectuals. If we do, the intellectuals will do our work for us. If we do not, we may be hitting our heads against a wall indefinitely and getting nowhere. Our program is one which will take generations to bear fruit so we have time on our side. But the seeds we must plant must be in the intellectuals. The sooner we teach them, the better.

— OSCAR B. JOHANNSSEN
The Gargoyle, October, 1975

Wanted: Professional Writers In Land Economics

The syndicated columnist has the most rewarding writing job in the world: his pay can run as high as \$5000 a week. His "job" is continuous as long as people seek his daily or weekly column. He often travels to the far corners of the earth for interviews with prominent people. He is sought out for TV panels. And sometimes he can change the course of history by an exposé or by tenaciously pursuing skulduggery in business, labor or government.

And sometimes he is brought into a high post in Government because of the wisdom he has imparted in his years as an investigative columnist.

With all the men and women who have taught Fundamental Economics in the Henry George Schools; with all the college professors who can distinguish between monetary economics and land economics; with all the editors of Georgist trade journals — one would think that a man or woman would have gotten into newspaper syndication for the pure joy of challenging the monetary economists, and for the good income.

If Fitzpatrick, Buckley, Bishop, Evans and Novak, Rowan, Bombeck, Sylvia Porter, Drummond, Harvey, Lerner, Van Horne, Marquis Childs, Jack Anderson and dozens of other writers can get published, I say a land economist can popularize the subject, too.

I did my research in syndication because I was training several local comic artists in land value taxation for the development of a comic strip — in this era of comic strip social relevancy.

To any Georgist writer who believes he can write an ANALYSIS of our economic problems in a popular newspaper style, I'll send him some suggestions that I have compiled on two pages. Please enclose a stamped No. 10 envelope.

— WILLIAM W. NEWCOMB
532 Wickham Road
Melbourne, Florida 32901

Revenue Beneath Its Feet

Councilmen Robert F. Wagner, Jr. and Henry J. Stern, both of Manhattan, have urged that the City of New York stop under-assessing its 60,000 vacant lots and raise assessment to true value to increase revenues by \$18 million a year. They said this would provide an incentive for private owners to develop vacant land.

— *New York Times*, August 8, 1975

Help Write A Georgist History

Some day I would like to write a history of the Georgist movement — maybe book-length, maybe two or three articles in length.

I would like to start it from 1914 or so, since A. N. Young's book *History of the Single Tax Movement* (1914) covers the Georgist history quite adequately down to that time.

I think Georgists often overlook the power of the past. It is one of the few powers we have in plethora. For most people quite rightly respect a long history, feeling that a movement that has lasted a long time must have something to offer. It must have an appeal, a cosmic explanation and not merely a property tax reform. It is not a fly-by-night flash-in-the-pan fad proposing some reform gimmick for the passing moment.

If it has lasted this long, and has inspired this many people down through the generations, then it appears likely to continue doing so, and it becomes a movement worth joining, even if its present prospects are not attractive.

"But the politicians who could adopt a heavier tax on land values are not interested in long histories," says the history skeptic. "They want to know how the land value tax can solve their immediate problems."

And that is quite true. And so we need to fight on that front also — to provide them with the facts they want and to answer the questions they ask.

But there is another front for us — we must keep the movement going. We must maintain our ranks of dedicated workers who will stick with the movement, if not because its immediate political prospects are promising (others can offer more glitter than can we), then because the idea we offer is true and enduring — and likely to endure because it has endured for so long. And for this latter attribute, we ought not forget our history.

And so I issue a call to all Georgists: *send me your recollections, your anecdotes, your news clippings of times past.* All of this can lend color and reality to a history of Georgism. Who do you remember? What happened that other Georgists ought to know about?

Don't keep it to yourself. Send it to me, care of Department of History, Indiana University of Pennsylvania, Indiana, Pennsylvania 15701. Let not the past be interred with us. Let it continue to inspire others of younger generations. History can be a beacon light to us all, showing us the pitfalls, the lost opportunities and the brilliant repeatable successes of the past.

So write me. Put your memories to work for the Georgist Movement.

— STEVEN CORD

The Single Tax vs. Property Tax Reform

William W. Newcomb's attack in your Winter 1975 issue against Richard Pensack's ANALYST article "The Single Tax vs. Property Tax Reform," although he alleged it was to "take issue with Richard Pensack's statements it was actually an attack upon Henry George, quoted in Pensack's article: "The men who have worked, the men who will work, the men who can be counted on everywhere, and every time, till death closes their eyes, are those whom this reform appeals to from the moral, the religious side; those who see in it, not a mere improvement in taxation, but a conforming of our most important social adjustments to the law of justice, to the will of God."

Newcomb takes issue obliquely with the portions I've emphasized, and he attempts to prove that history has shown George to be wrong, since he linked himself to the Georgist movement in 1927; and to prove that his own propaganda methods in South-east U.S.A., using public relations methods and salesmanship, overturn George's conclusions as to the type of manhood and womanhood who will work and die for the real establishment of the republic. But Newcomb's attack strangely leaves out of historical account the much greater success of Single Tax Georgists before World War One, when the movement had swept worldwide, and was on the threshold of complete success throughout the British Empire!

In 1936 when I enlisted, I observed that the property-reform Georgists were blaming the Single Tax Georgists for the near demise of the movement, which began with, and which followed the war. Investigation of the records and Georgists still living led me to this conclusion: a scapegoat which "leaders" led the movement into had to be found; and the Single Tax Georgists who kept to the revolutionary principles and advocacy which swept Georgism worldwide before the war, were made the scapegoat.

Although Henry George used the term "reform" he regarded himself and his work as a revolutionary one, as the slightest acquaintance with his fighting alliance with the Irish for their republican independence against the class imperialism of Britain shows; and as his writings show. Up to World War One, Single Tax agitation, in conjunction with Labor Party agitation in my old country, was essentially revolutionary. Since it ceased being revolutionary, and allowed its "leaders" to postpone and push fulfillment of justice into the millenium, the movement has practically ceased to be.

Now then! However good Newcomb or Perry Prentice or any others may prove themselves to be in propaganda enlistments, they have a long way to go to become the public opinion powers that the hardline Single Taxers pushed Winston Churchill and Louis F. Post into being before the war.

So, please, Mr. Newcomb, desist your dividing us up to again follow new leaders. Twice bitten should have taught us to be more than twice shy of that hypnotism. Insofar as you, or Mr. Prentice, or any one else, educate on the necessity of really establishing the republic, I'll applaud. But when you propagandize to lead us through any alley away from the necessity to first continue the revolution only begun in 1776, I, for one, as an old hardline Single Taxer will fight allied with Henry George, for full justice in a fully united republic.

C. CAMERON MACSWAN
San Francisco, California

Should We Drop "The Single Tax"?

While you might consider it to be almost a heresy on my part, and the idea has undoubtedly been suggested to you by others, I'm convinced that the sooner we eliminate the term "Single Tax" from our nomenclature and descriptive terminology the better. (This position on my part is one of the reasons for my present unpopularity with most of the hard line Georgist exponents here.)

If there were any possible chance that an approximation of the Single Tax could be implemented in my lifetime, or unfortunately, in the span of any living person, I would not take this position. My objection to the term stems mainly from the lack of understanding on the part of the general public and the implication that it engenders in the mind of the average citizen.

Most people react to the word "Single Tax" by cataloging its adherents as crackpots, communists and other opprobrious terms. This is not the case when we speak of Land Value Taxation, Site Value Taxation or Assessment to describe our goal.

Any politician running for office and advocating Single Tax would be laughed off the platform but espousing LVT, SVT or SVA to the same audience would retain their attention if not their approval.

— THOMAS L. BRAZELL
San Francisco, Calif.

Henry George Rejected Socialism

Henry George in his *Progress and Poverty* published in 1879, began a movement against the selfish monopolization of land as the primary cause of poverty, and advocated as the solution the appropriation of all rent by taxation and the abolition of all taxation except that upon land values. But George was a champion of Jeffersonian democracy in an age in which the agrarian basis of such a society was becoming circumscribed by the expansion of industrialism.

George himself was sure (as he expressed it in a letter to John Paul of England, November 7, 1893) that "with the abolition of the landmonopoly, socialism must die out" and that "the mixture of socialism with the single tax confuses the issue and delays our progress."

SIDNEY RATNER, in *American Taxation Its History as a Social Force in Democracy*, 1942

Arden Single Tax Enclave

Arguments have been put forth that each leaseholder in Arden should pay County and School taxes levied against the improvements to his or her leasehold. The land rent then collected would be reduced to meet only the expenses of the town. In view of this, the Town Assembly, Arden's governing body, has appointed a seven-member committee to study Arden's taxing policy. Fortunately three of those members are Georgists. As they see it, the job lies in convincing the committee, and then the Town Assembly, (1) that the trustees have a right to collect sufficient rents and pay County and School taxes out of it, and (2) that it is beneficial to the community and just to the individuals.

— MICHAEL K. CURTIS