

The Formulas

Our sister Georgist organization, the Center for the Study of Economics (CSE), has developed 31 formulas and 26 procedures for implementing the land value tax (LVT) in the foreseeable future (available to anyone). This brief article gives information about them.

1. Are these formulas and procedures difficult to learn?

No, not at all. They are derived from the basic property-tax formula, $\text{Revenue} = \text{Rate} \times \text{Assessments}$. Many of these formulas cover special situations and we only need to know where these formulas are to be found (you don't want to start deriving them in the prospect's office). Only two of the formulas are absolutely necessary for effective Georgists to know by heart and, above all, to have practiced using them.

Figuring out tax rates can be tricky because they usually require the multiplication and division of nine-digit numbers by six-digit numbers with varying decimal points; it's easy to lose your way. Figuring out these formulas may be simple, but applying them isn't, so prior practice in using them is an absolute necessity.

2. Why don't you put these formulas and procedures in booklets?

CSE has already published three booklets - still available - containing most of them, but it lacks the money to publish book-

lets for the rest (cost \$5 per booklet, \$1 for each unpublished formula and procedure).

3. To be effective, must I learn all 31 formulas and 26 procedures?

No. Most of the formulas deal with special situations you won't encounter for awhile; you only need to know where these formulas can be found. Only two are absolutely necessary to know by heart, although prior practice in applying them is absolutely essential.

4. What do these two refer to?

The land and building tax rates for the forthcoming fiscal year. Once our prospects know these differing rates, they will understand immediately what we are asking them to do. Determine these rates (using the two formulas) before seeing your prospects, and suggest the rates at the very beginning of your interview.

5. Who are our best prospects?

In the foreseeable future they are mayors, budget directors, city councilors, school superintendents and school-board members.

6. What's so important about the phrase you often use, "the foreseeable future"?

First, we shouldn't try to peer beyond it; otherwise - frustration. Second, in the foreseeable future just about no voter or politician knows or will know what the land value tax is and why it's desirable, so we have to proceed gradu-

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George called the "Single Tax" a Tax

There are among us some Georgists who insist that we should not use the term "Single Tax" by which our proposal is generally known (whenever we have effectively brought it to the attention of the general public). These Georgists insist on calling the Single Tax "rent" or user fee or something even though our prospects can't understand them because the prospects are speaking a different language than Georgists (redefinitions = a different language). Of course, these Georgists have never collected a single penny of land value taxation, nor will they in the foreseeable future. Don't tell our principal prospects (local politicians) that you are against taxes - they love taxes, use other arguments.

George naturally called a tax a tax. For instance, on p. 288 of Protection or Free Trade? he wrote: "A tax on land values is of all taxes that which fulfills the requirements of a perfect tax."

Tax Land Not Labor

The Formulas

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ally at first. This creates problems of implementation that fortunately these formulas can solve. A *gradual* implementation is all we can achieve in the foreseeable future, but at least it is the first step toward our eventual goal of the Single Tax. "The longest journey begins with but a single step."

7. Can LVT be implemented without the formulas and procedures?

Yes, even trial-and-error would work, but with difficulty. Many well-known Georgists, like Harry Gunnison Brown, tried to induce LVT in Pennsylvania before the formulas and procedures were developed, and failed (I did also). In the United States, no extra LVT has currently been induced by Georgists without these formulas and procedures - none.

8. Should our prospects be told about these formulas and procedures?

No, only if they freely ask, which they almost never do. There's so much to tell them first. I'd rather our real prospects depend upon us for implementation. -sbc

HGFA - Retro-spect & Prospect

HGFA was founded in 1926 by leading Georgist activists across the nation. Its main intention was to raise one million dollars in order to employ field representatives (along the model of the Fels Commission, whose single-tax activities had just recently ceased). These representatives were to visit municipality and state officials in order to get them to switch the property tax to land values only. HGFA's endowment grew

Guilt Trips - and Effectiveness

A Georgist writes in that we are giving a guilt trip to those Equal Rights readers who have received land-speculation profits. THAT'S RIGHT! because it is altogether possible to contribute all or most of these profits to the effective furtherance of the Single Tax.

It is not morally wrong to get land-speculation profits. After all, that's the system that surrounds us and generally we're not even seeking such illicit profits - they come our way willy-nilly. But it is morally wrong and hypocritical of a Georgist not to donate at least some of those

profits to effectively end the system.

Land-speculating Equal Rights readers can rest assured that the Henry George Foundation of America will always remain true to the Georgist message. HGFA will use its funds to effectively introduce LVT into localities in the foreseeable future. This has worked (we have used 31 formulas and 26 procedures) and is the only approach likely to work in the foreseeable future. We will bring about the time when land-speculation profits will end.

Call 215-988-9998 for specific how-to-do-it information.

"The Symphony Was Long But Now the Music Has Ended"

Jan Pot Has Died

Thus were we informed by Jan J. Pot's son that the great man, his father, a longtime Georgist fighting the good fight in The Netherlands, has passed on to where all own the land rent equally.

Yes, Jan J. Pot, erstwhile correspondent and HGFA supporter, has died. It is with sadness that we remove his name from our mailing list. He was an Old Georgist and "idea-logist" who will be remembered in history as one of the Great Land Reformers.

I remember being invited to Jan's house after the IU/LVT&FT Conference at Utrecht. He and his

wife were gracious hosts - I enjoyed their hospitality tremendously (such a flat country!). Now we will have to soldier on without him.

Jan attended the last three IU conferences at Philadelphia, Melbourne and Roskilde with his son Hessel. Let us now dedicate ourselves to getting LVT actually adopted, to reaching the Tipping Point - only then will we be able to get the electorate to consider LVT. Only then will we be able to justify ourselves to Jan when we meet him again.

slowly at first and today amounts to about \$250,000.

The first headquarters were in Pittsburgh where the principal HGFA activists lived (many of them were leading politicians in the city - two of

them eventually became mayors and others were on the City Council). Percy Williams, our Executive Secretary for the first 51 years, was Pittsburgh's last Chief City Assessor

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From the Editor

❖ After paying for taxes and wholesale gas, the so-called big oil companies and their retail outlets have a gross profit margin which is about one-third of what retailers in other businesses work on (*IBD*, 5/25/01, A26). We should be grateful that our cars don't run on bottled water or milk. Also, the stock of oil companies has under-performed the long-term S&P-500 average.

❖ Galveston County (TX) workers don't pay Social Security (S.S.). Instead, they invest 9.7% (as against S.S.'s 12.4%) into private investments and get about double the S.S. return. In addition, they get disability insurance that greatly exceeds what S.S. pays. Professional money managers invest on their behalf. Federal law should allow all workers to do the same (*Investor's Business Daily*, 7/5/01, A18).

❖ We can highly recommend the essay, "Urban Renewal at No Extra Tax Cost," available as document #8064107 by the Heartland

Institute, fax 312-377-5000.

❖ If the government owned the desert, a shortage of sand would soon develop.

❖ Our Movement must uphold the Justice reason for the Single Tax (not merely the economic first-small-step foreseeable-future two-rate LVT reason). We can work at both levels.

❖ The alternative to taxing pollution is to abolish pollution legally. Anyway, neither have anything to do with LVT.

❖ Charles Kingsley: "We act as though comfort and luxury were the chief requirements in life, when all that we need to make us really happy is something to be enthusiastic about."

❖ HGFA has a track record - 60+ real-world victories (we've lost exact count). If this interests you, we welcome your support.

❖ CSE so far is the only Georgist organization in the U.S. which has produced empirical stud-

ies (17) proving that LVT works. HGFA uses these formulas and procedures and is the only organization that has generated LVT in the U.S. So far.

❖ If you keep your eye on the horizon, you're likely to trip over a pebble.

❖ Acting on behalf of a group seems to free folks from the moral limits they take on when they act as individuals.

❖ Did you know that this is our 32nd year of publication?

❖ About 500 billion tons of CO₂ are emitted naturally from the ocean and the decay and respiration of plants and animals. The U.S. puts out about 5 billion tons, or 1% of natural emissions. Now, if Americans would only stop breathing, we could reduce CO₂ emissions even further

❖ No economic system is better than the philosophical assumptions it is based on (from a Betty Noble letter).

The Capital Gains Tax Inhibits Economic Growth

(1) New commitments to venture capital firms accelerated from a piddling \$70 million in 1977, when the top marginal rate was 49%, to \$5.1 billion by 1983, when the capital gains rate had dropped to 20%. This was a 7,000% rise in capital raised for new companies.

(2) After the 1997 capital gains cut, there was a nearly fivefold surge in venture financing - until the recent downturn.

(The above figures come from economist Stephen Moore in the *Investor's Business Daily*, 6/27/01, A18.)

Hold fast to dreams
For when dreams go
Life is a barren field
Frozen with snow.

- Langston Hughes

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Please Re- spond to This Objection

"I don't mind paying taxes for benefits received. I don't want to be a free loader."

I got this retort from a left-wing lady activist at a political meeting I recently attended. I had mentioned to her that we should be transferring taxes off wages onto land values. "But I live in apartment house and don't own any land," she said.

We ask our readers to write in and say how they would briefly respond to her objection.

HGFA - Retrospect and Prospect

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(1939). However, these single taxers were not able to get Pittsburgh to expand its two-rate tax, which by law was to be twice as high on land assessments as on building assessments after 1925. We changed that in 1978.

Successes

But one of the first activities of the Foundation was a genuine success: in 1927, it purchased Henry George's birthplace at 417 S. 10 St. in Philadelphia (for \$7,200, now worth about \$200,000). It had been used as a rooming-house; the Foundation continued this use, the income from which was its principal source of income. In 1957, the Foundation sold the building for \$7,200 to the Henry George School, which ran classes in it, first under the directorship of Joe Stockman, then George Collins and Mike Curtis (Lou Cippolini has been a loyal unpaid volunteer all through these decades). The building contains two rooms with historical memorabilia, is on the tourist route in Philadelphia, and is now

on the nation's Historical Register.

In the 1930s, the Foundation ran annual national conferences for the Georgist movement, but during World War II, activities of the organization languished. Nevertheless, in 1951 Senator Bernard McGinnis, one of the founding members, got the Pennsylvania state legislature to allow cities in Pennsylvania to adopt a two-rate property tax. While no cities took up this option until Harrisburg did so in 1974, afterwards 19 jurisdictions (as of this writing) have adopted two-rate LVT. There have been 37 two-rate jurisdictions since then. These are the 37th Annual World Victories in the Single Tax. The entire Georgist Movement could report since 1913. Fully \$72 million a year in extra LVT has been induced, but what's more important, all 17 of our studies empirically show that LVT works. Numerous inquiries from across the nation are now being handled by correspondence and telephone.

Change

Percy Williams, our Executive

Director for 51 years, died in 1977, whereupon Steven Cord, a professor at nearby Indiana University of Pennsylvania, took over. Our current president (since 1998) is Joshua Vincent.

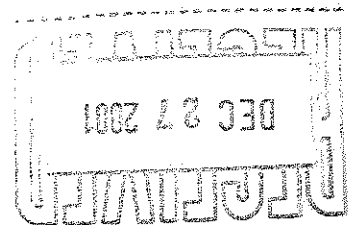
The Future

Despite our successes, and despite our 17 empirical studies, getting new jurisdictions (especially school districts) to go two-rate LVT still is uphill work. We hope that soon a Tipping Point will be reached when suddenly LVT becomes well-known and jurisdiction after jurisdiction will adopt two-rate LVT and we will be ready for the time in 2016 when the nation's voters will realize that the Single Tax is the only alternative to impending government bankruptcy. We need the continued support of all Georgists for that. Of course, they should realize that two-rate LVT-

❖ is all that we can accomplish in the foreseeable future (politics being our main obstacle)

❖ only the first step toward popularizing the Single Tax.

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