

The Barigoule



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

HENRY GEORGE SCHOOL OF NEW JERSEY #69 FEBRUARY 1963

HIGHER LAND ASSESSMENTS WILL BENEFIT HOMEOWNERS.

This is the heading for an article in the January issue HENRY GEORGE NEWS - by James Clawson, Mayor of Southfield, Michigan (graduate of Detroit H.G.S.) He proves it!

ELMA (Erie Land Tax Association) Erie, Pa., sponsored by the Junior Chamber of Commerce in that city is going all out for Land Value Taxation.

An Australian Viewpoint - The relative soundness of the Australian economy is due almost solely to slight application of Land Value Taxation - the economy would be sounder still were the tax applied without graduation or omission. The tax should be the full annual rental value of the land - not based on selling price. READ THE HENRY GEORGE NEWS.

"A farmer located forty miles from the railroad in Saskatchewan, Canada, says it takes two men, four horses and four days of time to take a load of baled hay to the train and return, it being necessary to camp out one night in each direction. He is making only the poorest kind of a living. On being asked why he had come so far into the wilderness to farm when there were thousands upon thousands of acres of fertile virgin soil near to the railroad, replied: "Oh, they want \$300. an acre for that land; we got this for \$10. and we could pay no more."

ECONOMICS SIMPLIFIED
"We cannot help but be impressed with Henry George's views of history, as we pause to comment on the man who wrote PROGRESS & POVERTY in 1879 and who had much to offer all of us in the approach to solving complex modern problems. I am thankful to the Henry George School for introducing me to him." Maurice P. Curran

MODERN BOSTON TEA PARTY

You and your friends are invited to a different sort of a tea party. It is a gathering sponsored by TAX INQUIRY COUNCIL, to be held at 78 Clinton Avenue, Wednesday evening February 20th at eight p.m. For discussion will be possible changes in methods of assessing and administering the General Property Tax in New Jersey. There is perhaps no other subject so much in the press and the minds of the public today. Will the Federal Income Tax be cut? Will New Jersey get a Sales Tax?

It is most difficult to interest people in Economics - important as that subject is in it's effect on our everyday lives - BUT not much effort is required to interest people in TAXES - so here is a chance for you to bring your friends to a discussion of a topic they want to know more about.

HENRY GEORGE SCHOOL OF NEW JERSEY
78 Clinton Avenue, Newark 14, N.J.
MA 3-9333, John F. Tetley, Director

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The 250 page report repeatedly comments on property tax and real estate tax as excessive and burdensome. Of course, it is generally known that by "property" and "real estate" is meant "land" and "improvements" (buildings) however, the fact that these two component parts are vastly different is either not recognized or ignored.

One short paragraph, perhaps will be of little or no significance to most of those who read the report - quote "A form of real estate tax which would place little or no burden on improvements and a relatively greater burden on the land itself, whether vacant or used, was suggested as a substitute for the present system, on the basis that it would encourage development of vacant land and renovation of older buildings." This was a result of the testimony of Dr. C. W. Esty and Leo Cohen.

While the report stated "All the suggestions made have received consideration and for the most part they are dealt with subsequently in this report", there was nothing further said about land valuation taxation. However, under "Special Property Tax Problems - Farm Taxation" there was requested special treatment in the taxation of farm lands. It was stated "property taxes per acre and per farm are higher in New Jersey than in every other state in the Nation; and that the burden of the property tax on the farmer is greater than on the rest of the population because the level of farm income is low." (So is mine) It is contended that "it is not economically possible to continue acreage in agricultural use if it is to be valued for property tax purposes at its highest and best use e.g. industrial, commercial or residential development."

Possible approaches to a solution - farm land "be valued for tax purposes solely on the basis of its actual current use, without regard to a higher and better potential use." The Governor has appointed a special citizens committee to study the farm tax problem and advise him as to possible solutions."

In conclusion the report "The Commission therefore recommends that the State adopt a broad-based tax as the only adequate source of the additional revenue which is essential to enable the State to discharge its obligations to its citizens"

Absolutely nothing in the report indicated that taxes are not sources, but merely means of raising revenue.

The Tax Inquiry Council and the Henry George School offer to anyone interested the opportunity to re-examine and re-evaluate the General Property Tax, which, provided a different method of assessing and applying, could possibly obviate the need for additional taxes. J. Tetley

The President has asked Congress to cut individual income taxes which now range from 20% to 91% to a 14% to 65% range and also to reduce the 52% corporate income tax rate to 47%, all of this to take place over a three year period.

Sounds almost too good to be true. And it is, for while he's proposing tax cuts, he is also proposing increases in expenditures. Inasmuch as the huge taxes we pay are caused by exorbitant expenses of the government how can a tax reduction be reconciled with an increase in expenses? Simple. Politics. Politicians reconcile anything.

Will we have the tax reductions? Some of them certainly in the income tax field but actually there will be no tax reductions but rather tax increases. However, the form will be the "inflation tax", the one which is not recognized for it is not understood. This tax is the one levied via the banking system wherein the government's debts are made into "paper-money", to make up the government deficits.

Funny thing about our government. It is always talking about the economy, but it never seems to practice economy.

Some claim the reason the government wishes to reduce our income taxes is to enable us to have money left over which the government can then borrow to pay its bills.

People in newspaper strike-bound New York and Cleveland are learning that nothing can quite take the place of the written word. Radio and TV have proved to be poor substitutes. This seems to refute the old cliché that Americans didn't read any more, but merely looked at pictures. The way the office boys, the secretaries and the bosses harrass a New Jerseyite for his paper is proof positive.

But it isn't just the lack of good news coverage which is hurting, it's the lack of ads. Remember how the socialists are always saying that ads are economic waste. Well it seems that the little lady at home finds ads in the N.Y. papers to be excellent devices to check on what she should pay in the local stores as well as what bargains are available. After listening to her, we wonder if she ever does anything but read the ads.

No doubt, the strike will end someday, but when they do possibly the attitude of the editorial staffs will be different towards strikes then they have been. There is all the world of a difference between writing about a strike and being a party to one, particularly one which seems so senseless.

Which all goes to show that some learn by reading history, others only learn by reliving history.

• Would you like to write something that will live forever? Sign a mortgage.

Newspaper reports indicate that there has been considerable conflict among 58 independent governmental agencies. The government has come up with a solution. Create another agency to supervise the others, so now they have 59.

If the actions of the United Nations in coercing Katanga into the Congolese government make any sense, will someone please elucidate.

By the way, wasn't the U.N. organized to prevent war, not to wage it?

Einstein when asked what weapons would be used in future wars said he didn't know what weapons would be used in World War III, but he had no doubt what weapons would be used in World War IV. What were the weapons he foresaw? Stone spears.

Do you know what the cost of land on the moon will be? It's difficult to set an exact figure, but you can be sure it will be sky high.

"OUT OF STEP"

Georgists are out of step so it is not particularly surprising that Frank Chodorov, a former Director of the Henry George School of New York, should emphasize that point by calling his latest book, "Out Of Step."

This is an autobiography of an individualist in the manner which Albert Jay Nock, the premier literary stylist of his day, originated. Nock felt the only worthwhile purpose of an autobiography was to put on paper whatever philosophy the author had garnered through life. Any personal experiences he might have had which would emphasize the concept he was stressing would be pertinent, but other personal data was worse than unnecessary; it was vulgar. Nock wrote such an autobiography, "Memoirs of a Superfluous Man", which probably will become the standard for that autobiographical approach.

Chodorov, taking his cue from Nock, has attempted the same. Out of the distillation of his meanderings through life, has come a series of essays by a nonconformist who cares not a whit for a regimented society; who has spent a lifetime questioning the growing power of the State; defending the individual; and who has, time and again, paid the price of the heretic to maintain his beliefs.

In his ten page chapter, "The Single Taxer", he successfully puts George's idea into a capsule which will be a delight to any Georgist. He says George's idea is "a simple proposition, economically irrefutable and fiscally sound, and moreover appeals to our sense of historical justice."

One point bothers him, however. George believed that the rent collected by the government would be used to pay the so-called necessary "social services". Chodorov wonders what would happen if the politicians used the rent fund to enhance their power. Men are attracted to politics, he believes, not so much because of cupidity as because of a lust for power. (Is there a better explanation why so many rich men's sons are in politics today?) And what is political power if it is not the legal right to order people about, making them do what they do not want to do and forcing them to refrain from doing what they want to do. But political power is primarily determined by the amount of money at the politician's disposal. The more money, the more power. If the politicians have access to the rent fund, will it be used merely to pay for the household-community services, such as roads, sewerage disposal, fire and police protection, and the like? "Social services" is an elastic term. It can be expanded to encompass almost every conceivable function, as is taking place today. Whether it is economic rent or taxes which the politicians get is a matter of indifference to them. The money is the key to power.

This writer feels Chodorov has a valid point. Although Chodorov has not resolved the problem to his satisfaction, it has long been this writer's contention that the rent fund should be apportioned on a per capita basis each year. Each individual can then purchase with his share of the rent any of the "social services" he desires. This puts these services in the marketplace where the individual controls and not the politicians. Whether the resourceful politicians would find a way to circumvent this solution it is impossible to say. Only "trial and error" can determine that.

While Chodorov cannot help expounding on George's ideas any more than any Georgist can, he is not provincial. Such diverse subjects as socialism, Thoreau, Russia, and watching Westerns are touched on by him.

Thoreau lovers will like particularly his 8 page analysis of that famous "melter-do-well". Thoreau probably summed up Chodorov's ideas on government when he said "that Government is best which governs not at all; and when men are prepared for it, that will be the kind of government which they will have."

The book is short, too short. One closes it with regret that there is no more. Chodorov claims it is his valedictory. Time will not stop.

Possibly he is one of a passing breed. He would deny that. He claims that in every generation, mavericks are always present and somehow their presence is felt, if not in their lifetime, later on.

Oscar B. Johansen

(Out of Step" by Frank Chodorov - The Devin-Adair Co., 23 East 26th St., New York 10, N.Y. (4-50)

FRIEND OF OUR SCHOOL

I was so glad to hear that Mr. E. L. Erwin was among those in the well-remembered first group attending the first course ever held by the Henry George School of New Jersey.

In answer to my query, he guessed that Dr. Bowen led this group instead of her husband, Mr. Rusby, for the following reason. The two were equally devoted to the concept; but it seems Mr. Rusby would become so immersed in his beloved subject that he tended to lose awareness of the passage of time. Perhaps he feared he would never contain his ideas within the two hour limit.

Mr. Erwin had been a commuting friend of George Rusby. This was during the last years of Mr. Rusby's record as the Erie's longest term commuter. I remember reading a pleasant interview of him in the newspapers when he broke this record.

The friendship between the two grew into a most rewarding relationship. It was never necessary for Mr. Erwin to join the advanced classes later presented by the school; for he was there, among the few, participating and watching while these developments were secured.

George Rusby also benefitted greatly by the friendship. I was interested to learn that out of their many stimulating and engrossing discussions, disagreements came often. Then before the next session they would both commit their material to paper, and further check the validity of logic. Mr. Rusby most certainly had much help in other communication but with his old friend was surely invaluable.

Mr. Erwin came frequently to the school to participate in many events. Bit in time, many of those he knew moved away from New Jersey. He particularly mentioned Howard Thompson (former faculty member and Trustee of HCS NJ) and Paul Winsor (former member of faculty) and he inquired about others.

About a month ago he was in Boston and had an enjoyable visit with Mike Barlow (One of original Trustees of N.J. School now Pres. & Director of the School Boston) I believe he went to some school function while there, by a lucky coincidence.

The Erwins have a son who lives with them at home - Towaco, N.J. many years. Our friend does technical work for the telephone company. In Mr. Rusby's latter days, he worked in New York but lately he is glad to be with the laboratories in Homdel, N.J.

He has other interests, of course; he particularly likes 'doing things' about

Note: Dr. Bowen and George Rusby were founders of the N.J. School.

SALT OF THE EARTH

Diplomat: A carpenter who can keep a straight face while repairing a customer's do-it-yourself job.

About the only problem men like to wrestle with are women.

What we need these days is good men in politics and we need them bad.

When a boy goes to college, it's the father who usually gets an education.

In Texas the nursery children are taught: "The butcher, the baker, the Cadillac-maker."

You can always tell when you are in a modern kitchen for there the pot calls the kettle chartreuse.

Scientists are funny. They can invent an earthquake detector that goes off like an alarm clock, but they can't invent an alarm clock that goes off like an earthquake.

LIGHTHEARTED LEXICON

Bachelor: A man who is dancing when he walks the floor with baby.

Bachelor: Man with no buttons on his shirt and no hands in his pockets.

Badge: An emblem that distinguishes a detective from an honest person.

Banquet: A fifty-cent dinner served in sufficient number to enable the caterer to charge two dollars for it.

Barmaid: What the boys in the back room will have.

Begamy: It can't succeed because no man can serve two masters.

Bikini: Baiting suit.

CAPSULES OF WISDOM (Farmer's Almanac)

The reason a dollar won't do as much for people as it once did is that people won't do as much for a dollar as they once did.

A government bureau is where the taxpayer's shirt is kept.

Money talks as much as ever, but what it says nowadays makes less cents.

If you think you're lonely and neglected just think of Whistler's father.

An egotist is one who suffers from "I" strain.

DO YOU PASS YOUR COPY OF
THE GARGOYLE ALONG TO SOMEONE ?

Taxes and Rehabilitation

With growing speculation that tax assessments contribute to property deterioration, or conversely, that neglected property offers a tax dodge, a definitive study is needed by the Board of Aldermen. The Board seems to be of one mind on the study, judging by its 27-0 approval of a resolution offered by Aldermen Harold L. Elbert and John A. Sartorius.

Critics say the present system seems to operate against the property owner, whose assessment is raised as soon as he makes improvements, whether they increase the property's real value or merely contribute to neighborhood beautification.

Real estate and neighborhood associations, sociologists and tax authorities, recently have become insistent on the need for changes in state and local tax procedures. The present tax

formula is based on the assessed valuation of property—and this includes land plus improvements.

Some advocates propose sliding tax exemptions for property improvements. Some would penalize land owners for not improving property after a specified number of years, if it appeared the intent was to unload to a large-scale redevelopment or land-use project for an inflated profit.

Undoubtedly some tax exemption on improvements would encourage rehabilitation of deteriorated property. This would necessitate a change in the laws which require an equal tax on land and improvements. To base new values mainly on the worth of added improvements, seems unjust and ignores the socio-economic importance of the land to a neighborhood or community.

St. Louis Globe-Democrat

Fri., Dec. 29, 1961

Surprise! Junior C of C Backs 'Single Tax' Idea

This is almost like "man bites dog" type of news: The Erie (Pa.) Junior Chamber of Commerce has come out for the Henry George idea of the "single tax"—that is, taxing land instead of improvements.

Charles A. Hall, chairman of the land value tax-action committee of the Erie "Jaycees" and a former president of the organization, announced the action. He said the Erie group is "the first Junior C of C in the U. S. to endorse the idea of exempting buildings and improvements from property taxation, and shifting the tax to land values."

He said the local C of C "will campaign to have the Erie city council adopt the tax shift."

"Untaxing buildings," Hall declared, "will just naturally produce more construction of every kind. This will not only put construction people to work, it will result in more work for loggers, miners, truckers, factory workers, as well as those engaged in agriculture."

It will be interesting to see if Erie adopts the idea. The effect could be a "shot in the arm" for that city's economy—and if emulated elsewhere, could have far-reaching and significant results.

LABOR SATURDAY, JANUARY 6, 1962.

Official Newspaper for 18 Standard Railroad Labor Organizations

THE CITIZENS ONE BIG TAX ISSUE, and most serious tax problem, is not to abolish or reduce the Income Tax, to plug tax loopholes, or, in fact, taxes, as such, at all. It is WHICH SOURCE of only two really basic sources, should we use or use first. This issue will force a rewriting of tax-education programs in and out of schools; it is inevitable. To get the facts write for FREE copies of: 1) Tax Education Challenged and, 2) A Tax Image That Will Abolish Taxes. Both Vital to Freedom and the anti-Communist War.

Public Revenue Education Council
Room 308-705 Olive, St. Louis 1, Mo.

TAXES:

Assessors conference takes first-levy look at taxes on land value

The Intl Association of Assessing Officers, representing 3,000 US and Canadian local property tax assessors and appraisers, waited until its 27th annual convention last month to take its first peek at the question of whether it would be a good idea to levy realty taxes only on land, exempting buildings.

Planners of the Montreal convention highlighted their new interest in land taxes by giving it the lead-off spot at their opening session. H. Bronson Cowan, of Ottawa, research director of the International Research Committee on Real Estate Taxation, suggested this practical test of the site-value taxation to the assessors: "What do the people say about it where they have adopted it."

His answers: 1) 70% of New Zealand towns now use the method and all have adopted it by vote of taxpayers, 2) Australia's two largest cities, Sydney (population 2.2 million) and Melbourne (1.6 million) use the method, and 3) Australia "has swung almost completely to the site value" since 92% of the municipalized area of that continent now uses the system.

These successes have brought the method wide attention on this continent, he continued, and it was this "considerable discussion" which prompted the assessors' program committee to invite him to speak. He pointed out that Pennsylvania in 1957 let 47 of its cities adopt the plan if local citizens wanted, and that legislators in California (News, June) and Michigan are studying the idea.

"As interest in this grows, people are going to ask questions," said Cowan. "And in the end they are going to ask you these questions: Will this stand up? How will it affect the amount of taxes collected? How will it affect slums? How will it affect mortgage investment? It's important you be informed."

When the 200 delegates were given an opportunity to question Cowan, one man called. "Give us your answers to those questions you just raised. How much do you collect under that system?" Cowan explained that the amount collected was the same as under present US systems, with only the rate varying.

Property tax emerges as New York election issue

Fresh from hot word battles over housing in Manhattan, Rep Paul A. Fino, Republican hopeful for New York City council president, tags property taxes as "the most important cause of slum growth." Asserts Fino:

"The current real estate tax schedule has the effect of making decay and deterioration profitable in that the assessed value of the building in question—and thus taxes—will decline while . . . rents remain at previous levels. The [Mayor] Wagner administration has become the silent partner of the slumlords. Wagner's tax system makes it possible for the slumlords to pay lower taxes if they allow their properties to decay and fall into ruin. Wagner's set-up makes slums more profitable than legitimate and honest housing."

From: House & Home, America's Biggest Industry Monthly for America's Biggest Industry.
November 1961

