

# HENRY GEORGE HERALD

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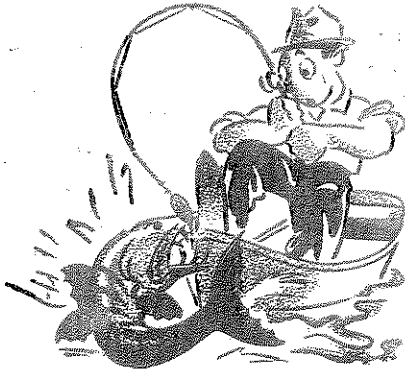
HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

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"LET no man imagine that he has no influence. Whoever he may be and wherever he may be placed, the man who THINKS becomes a light and a power."  
—Henry George

"THE great work of the present for every man, and every organization of man, who would improve social conditions, is the work of education."  
—Henry George

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## Eisenhower on State & Local Tax Policies

President Eisenhower, in his address before the annual conference of State Governors on June 24, said (regarding returning more functions and powers to the States from the Federal Government): "Obviously, such an effort requires your own thoughtful study as well as Federal analysis. It means re-examining every one of your local and State fiscal policies, including taxation, bonded indebtedness, operating costs, and cash reserves to meet natural disasters and other emergencies. It means realistically relating tax rates and assessed valuations to expanded income and real property values." (Underscores ours.)

Of course the President did not specify putting the increased burden upon the socially-produced value of the land, rather than upon the individually-produced value of improvements. However, even if State and local taxes are increased at the same rate on both land and improvements, it will still mean recapturing for society some of the "unearned increment" in land values, and to this extent it will make it possible to reduce or not increase State and Federal taxes on the fruit of man's exertion, in the form of taxes on incomes and sales. And to the extent that ground rent is collected for public purposes (the Danes call it "ground debt" - a debt individuals owe to society), to that extent it will discourage land speculation and keep the price of land down.

(More news on P. 2)

## More News from Denmark

The April, 1957, issue of Land and Liberty brings word of two bills passed recently by the Danish Parliament which in effect abolish taxes in most places on new buildings and improvements, and greatly reduce taxes on those already existing. These acts were passed before the recent elections, in which the Justice (Henry George) Party upped its representation in Parliament by 50%, and gained a voice in the new Government, with three members on the Cabinet.

The Los Angeles Henry George School was honored in June by the visit of Mr. Bent Jensen, Danish high school teacher, his lovely wife, and charming daughter. He told of a proposal made recently by Mr. Kampmann, Finance Minister, to collect 100% of future increments in land values. Although this bill had not been passed then, Mr. Jensen stated that it was expected to be, since a majority in Parliament favored it.

## Nation-wide Move to Re-value Real Estate

The Wall Street Journal of June 27, 1957, brings news of a nation-wide move to increase the assessed value of real estate, bringing it more into line with increased market values. This process is often called "equalization," especially as it relates to differential ratios of assessed value to market value between different counties. Assessed values in California are supposed to be 50% of true, or market values. Other states require 100%. However, in practice, they often assess at 10, 15, or 20% of market value. Then, in order to raise the required money, taxing districts must resort to very high tax rates, which make it seem as if the property is being over-taxed.

This often results in a shifting of the burden of taxation from real estate to other things. The Wall Street Journal states: "Although property tax revenues have more than doubled from \$5 billion in 1946 to nearly \$11 billion at last report (1955), more and  
(Continued on P. 2)

### Tolstoy on Henry George

The April, 1957, issue of The Reader's Digest, in an article on "The Wars and Peace of Leo Tolstoy," stated:

"Tolstoy urged a 'single tax' - a tax on land only, as propounded by the American, Henry George. In Russia, where vast landholdings were the basis of the nobility's wealth, the single tax would have forced the noblemen to break up their estates and distribute the land to the peasants. The suggestion was met with angry horror by the Czar and government and Tolstoy's own ruling class."

### Kishi on Com- munism in Asia

At a press conference on June 27 at the Ambassador Hotel in Los Angeles, Bill Truehart, I.A. Henry George School Director, asked Japanese Prime Minister Nobusuke Kishi the following question: "What are the major economic causes of the spread of Communism in Asia?"

Mr. Kishi replied: "Most Asian countries are newly independent, and suffer from poverty and want. They have a very unstable social and economic existence. Communism exploits these conditions to the full. It is important to them to develop their economies, and Communism promises a short cut to this."

Mr. Kishi is being sent a copy of Progress and Poverty, which, it is hoped, will point out how Asian countries (and all countries for that matter) can develop their economies under a system of freedom, and get the security which Communism promises but fails to deliver.

### Real Estate Re-valuation Continued

more local governments have had to turn to such newer levies as sales and income taxes to cope with inflated budgets. Local treasuries which relied on property taxes for about 94% ...before World War II have seen this percentage slip to 87%."

The same issue of the Journal states: "The chief re-valuation problem is in real estate, since it's that field that has been affected most by the postwar inflation. (We might add "caused by land speculation" - Ed.)

However, as stated above, different states are trying to bring assessed values nearer to market values. The Journal continues: "California offers an example of direct equalization. Counties with an assessment level under 20% of market value are directed to increase their assessment ratio to a norm of about 25%. Other states issuing equalization edicts to rejigger assessment levels include Michigan, Minnesota, and Nebraska.

"New Jersey is one of ten other states that achieve the effects of equalization without actually changing local assessment levels... In a controversial ruling last March the (New Jersey) high court held that the assessment of all taxable real property should be 100% of true, or fair-market, value, as provided under the state constitution. The court gave the state's 567 taxing districts until 1959 to reassess all their property at full market value."

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