

The Baritone



"A warm, worthwhile, sound." Opinions expressed herein are those of the writers and not necessarily endorsed by the Henry George School.

HENRY GEORGE SCHOOL OF NEW JERSEY

Issue #208

MAY 1977

THE NEXT STEP

Mr. Smith is a fine young man. He has just thanked Dr. Lazaar, Discussion Leader of the Henry George School of New Jersey, at the conclusion of a five week Seminar - Basic Principles of Taxation. "I think the idea of Land Value Taxation has merit and would like not only to explore further its possibilities, but actively associate myself in helping to get it into operation in New Jersey. Is there any organization engaged in doing that?"

Unfortunately, at this time, Dr. Lazaar must reply negatively.

A similar question might be asked by a person completing a Fundamental Course conducted by the Henry George Institute in New York City, or the Henry George School in Chicago, or a person attending a lecture conducted by Noah Alper of PRBC, or Len Huckabee of the Committee for Better Cities. Or a graduate of the Henry George correspondence course.

In Pennsylvania, persons could be referred to The Graded Tax League, in some areas, a chapter of LEAF; down Florida way, there is Gaston Haxo's Free Land League. But alas there is no organization in places where there certainly should be NOW!

It would seem to me that serious consideration ought be given in such areas and organizations formed as soon as possible. Of course, tax-exempt schools could not form such organizations. However persons con-

nected with the schools, acting as individuals, could assist. Perhaps some persons formerly associated with the schools would be willing to help.

A group of Georgists could meet and decide what course they would prefer to pursue. They could possibly investigate forming a chapter of LEAF, or possibly organize a Graded Tax League. BUT, A START MUST BE MADE.

There should be a NEXT STEP.

SERVICE

Is there a need for "services" to the Henry George movement - the organizations and individuals associated not with any, but acting on their own. Central files? It seems to me this is one needed service. Another - some printing and publishing facilities and provision for handling of printed materials and books. "Information - information of both general and specific nature - educational and political". Is there a need for a central headquarters to which inquiries may be directed?

Are there in existence presently organizations which are capable of rendering such services - which do to some extent render service, but which might render much, much more? Perhaps the Robert Schalkenbach Foundation - The Henry George Foundation of America - Georgists engaged in other activities? Others??

Might "servicing the Georgist Movement" be a project for exploration, consideration and action?

HENRY GEORGE SCHOOL OF NEW JERSEY

P.O. BOX #637 Woodbridge, N.J. 07095

PROFIT ORG.
PAID
Woodbridge, N.J.
Permit #208

HENRY GEORGE INST
55 W. 42ND ST., R
NEW YORK, N.Y. 100

ADDRESS CORRECTION REQUESTED

Ye Ed, The Gargoyle:

May I express my appreciation of Howard Thomson's scholarly March exposition of the influence of increasing the tax on land values. Yet it is less specific as to the financial beneficiaries of concurrently shifting taxes off of improvement values, regarding which it says only that "tax relief on such real wealth is beneficial to everyone." Granted that this would be a social boon, what reason do we have to think that this financial advantage will not, like all other such boons, be absorbed into land values?

To isolate the principle involved, let us conceive a fully built up "dormitory suburb" of houses in which tax appraisal is perfect, in which a history of resident pressure has not permitted any zoning other than for houses, and in which all the lots happen to be fully improved in a ratio of some fixed multiple of the value of the land. In our entirely imaginary town, let taxes be shifted so that in place of falling equally on building and land values, they fall only on land values.

So what? In our deliberately artificial town, everybody pays the same taxes he paid yesterday; his building value taxes have gone down in exactly the same amount that his land value taxes have gone up. Who would know that anything has happened?

But suppose that, two weeks later, someone's house catches fire one night and the fire truck is late getting to the location. The house burns to the ground. The owners lose not only their house but their lives as well, and their heirs, who live far away, decide to sell the now unimproved lot. Granted, the heirs will want to move promptly because the taxes will soon be due, building or no building. But buyers are standing in line to buy this lot and rebuild immediately in this forward-looking community. The only question is, what is the land worth?

Well, it is less desirable because land values are more highly taxed; but it is in an equal degree more desirable because at same house is rebuilt, its value will not be taxed at all. The government services which are provided continue unaltered. The tax change in a single town will have a negligible effect on the margin of production. It might well say that the land will sell for exactly the same price for which it sold before the shift to land value taxation, the advantages it confers being unchanged.

But we would be mistaken. It will not sell for a smaller amount. It will not merely sell for the same amount for which it sold before the tax change. It will now sell for MORE. The reason the buyers are standing in line to buy it is that they

can now build a yet nicer house than the one that burned, without having their own fingers burned by a higher property tax. Land values have perceptibly risen because of the tax change.

The benefit of Land Value Taxation to a community is not that something has been extracted from the pockets of landholders and erased or put into the pockets of someone else. The benefit is that, as Mr. Thomson says, production is expedited; we bring about more jobs, more wages, more well located housing and factories, a reduction in the violent crime associated with unemployment, all the other advantages which come with what we commonly call "good times". Land values themselves, whether wanted or not, will march on not only unabated by shifting local taxes off the values of other things and onto land values, but actually rising. Speculative land values will have fallen, but real land values will have risen.

Did Pittsburgh land values collapse with the change to the Pittsburgh Graded Tax Plan, even in the face of a later increased total tax bite? No. Why should they? The lower tax on improvements value was a bullish influence on land values generally, an influence only partially held in check by the higher tax on land values. In insisting on anything else, we may be not merely mistaken, but our own worst enemies. We have not yet called to our aid our greatest potential ally, the landed opposition. The question deserves considerably more thought and discussion than it has yet received.

HENRY TIDEMAN

860 Green Bay Road South
Lake Forest, Ill. 60045

1977 JOINT GEORGIST CONFERENCE

TO BE held at Conference Point Camp
Williams Bay, Wisconsin, Lake Geneva.
Friday, July 1 to Tue. July 5th (1pm)

Reasonable rates - lodging and meals.

If you plan to attend please send reservation now to:

Mr. Sam Venturella
4721 N. Hermitage
Chicago, Illinois 60640

- - - - -

In Memory of Dr. Geoffrey W. Esty, a Westminster Choir Concert will be held at Bristol Chapel of the Westminster Choir College, Princeton, N.J. on May 3rd.

- - - - -

POLITICAL ACTION!

Any New Jersey resident interested in political action for Land Value Taxation in New Jersey is invited to write to Dr. H.A. Lazaar, 82 Rose St. Metuchen, N.J. 08840

LIE DOWN AMERICA Page - 3 -
THE AMERICAN DREAM IS OVER

History may some day record that the week of April 17-23 was the one when serious attempts were made to change the direction of America's progress from one of growth to one of retrogression.

In a series of TV addresses, the President of the U.S. strove to convince the public that America must lower its sights and opt for a lower standard of living. The excuse for altering the traditional viewpoint of looking forward to continual improvement in the future to one of expecting one what is, at best, only stagnation is that an energy crisis is at hand. Dire forecasts are made that unless conservation is practiced, there will not be enough natural gas and petroleum in the foreseeable future. A secret CIA report has been adduced as evidence that the necessary energy supplies may not be available within a generation or so.

That the world will run out of fossil energy within the next hundred years is simply incredible. Superficially, it might appear to be plausible on the premise that the earth is of finite size. But what a size! The earth's diameter is 8,000 miles, and its volume is 268.3 million cubic miles. As far as puny man is concerned, the earth is almost infinite in size.

It is not unusual for Cassandras to predict that man is so profligate that he may consume all of a particular raw material. When wood was the most important source for construction and fuel, cries were repeatedly made that unless conservation was practiced the world would be running out of wood.

Today, one rarely hears such pronouncements for there is almost as much lumber available as before the pioneers starting clearing our forests. This is because lumber is a renewable product. Despite the fact that this was always known, many expected a growing shortage of lumber. Modern methods of reforestation, which are being put into effect by private enterprise, assure us that there need never be a shortage of lumber. That assumes, of course, as long as the State lets the industry alone. If the State, with its unwieldy bureaucracy impedes the lumbering industry in the same way that it impedes the oil and gas industry, then, of course, there will be shortages.

It is true that as oil and gas take so long to reproduce, for all practical purposes it is non-renewable. But the world is so large and man has just barely scratched its surface seeking these products that the probability is great that much more exists that man could even dream possible. We do know there exists millions of bar-

rels of oil in shale. Someday, methods may be devised to extract this oil at reasonable costs. The point is that until such time as exploratory efforts have encompassed much more of the earth and come up with little or no additional supplies, it is not unreasonable to assume that tremendous quantities still exist awaiting being tapped.

The crisis from which America suffers is not one of energy but of politics. The State has grown to such a size that Albert Jay Nock labeled it "our enemy". The American State is now so big and all-embracing as to make the British State against which the Founding Fathers revolted an innocuous infant by comparison.

The bureaucracy which the American State has created is stifling the productive genius of the people. It is like a concorous growth which cannot be stopped but which feeds voraciously upon those who actually produce the goods and services we all need. What is amazing is how much American business has produced despite this gargantuan pestilence.

It is this bureaucracy which has created the so-called energy crisis. Its rules and regulations have so bound and restricted the oil and gas industry that it can produce only with the greatest difficulty. The bureaucrats, aided and abetted by the professional do-good environmentalists, prevented the building of the pipeline to bring the oil of Alaska to us for years. Only the Middle East oil embargo forced a relaxation of the red tape to permit the building of the pipeline and only after the American people were so frustrated that they demanded an end to the nonsense preventing its construction.

It is believed that huge supplies of oil and gas lie off our continental shelves. Yet only 5% of the coastline has been explored. The remaining 95% is tied up with bureaucratic red tape which inhibits business from even going out to see if any actually exists there. But it is not only red tape which restricts production. The State actually forbids production of certain forms of energy.

The President is forbidding the completion of the Clinch River Liquid Metal Fast Breeder Reactor Demonstration Project. This is an experimental nuclear reactor, which while it produces nuclear energy, at the same time would produce more atomic fuel. To prevent its completion is madness, and a denial of the genius of man. Reactors, such as this one, give real promise for the production of unheard of quantities of energy.

If we had a President as Thomas Jefferson he would be leading a campaign to destroy all the prohibitions

preventing energy production. Instead we have a President who mounts a big propaganda campaign urging and even trying to force us to conserve energy. This is ridiculous. The entire universe is probably nothing but energy. Einstein proved that matter is really nothing but a form of congealed energy.

Energy is here to be used. For us not to utilize it on the specious assumption that some forms of it may not be available in the future is to turn one's back on progress. The President, in effect, wants us to curl up and hide in a corner, instead of going out into the world to use our intellectual and physical prowess to mold this world of energy to our own bidding. Even if temporarily one form of energy is in short supply, if we are let alone, we will find alternate forms to do the job.

America did not grow great with the negative philosophy the President is propagating. It grew because we had the highest degree of freedom of any large nation, and because the people's philosophy was that they could produce ever better and more goods and services than their fathers.

If we are going to claim that the summit has been reached and that now we must be happy with less, then it is only a question of time until ours, the greatest civilization which man has ever known, will suffer the same fate which overtook Rome.

OSCAR B. JOHANNSEN

SENSE & NONSENSE

In China today we are seeing the gradual decline of the left, that is the radical wing of the Chinese Communist Party. With Mao Tee-tung gone, the pragmatists have taken over control of the Party's machinery. It isn't that the communists have suddenly turned to private enterprise. It is simply that they have learned the hard way that socialism doesn't work.

The radicals still think it is possible for a socialistic society to exist and develop a good standard of living for the people. The more practical see that production lags and this applies not only to industrial goods, but most important of all to food. A system which cannot feed the populace is suspect for even one must eat.

It is difficult to admit that socialism is an unworkable system as the propaganda has so infiltrated the nation that politically it becomes an impossibility. The only alternative is to gradually admit aspects of private enterprise under different guises. In other words to utilize the carrot rather than the stick.

Since food is so important, one of the first pragmatic moves is to permit the peasants to have a certain amount of land on which to cultivate their own crops as they wish, and which they may sell. Without such deviations from socialism in Russia the people would have starved, bringing on a revolution. China is following Russia's example, but only after having undergone the same errors that the Soviets had. The Russians tried to tell the Chinese that pragmatic moves were necessary, but under Mao they were so fired up with religious zeal that heaven was only a step away from them if all would become thoroughgoing socialists that they would not listen to the Soviets. Instead they expelled them.

Of course, the move from the left is not only going on in China but in other communist countries. In 1948 Yugoslavia broke from the Russian version of communism and permitted the revival of more and more private enterprise. Her success probably encouraged the Soviets to turn more to the right.

In West Germany, although ostensibly ruled by a socialist party, the Social Democrats, one would hardly know it for the head of it denounced ideological socialism and is almost as rightist as Bismarck was.

Socialism doesn't work. But only people who really know it are the ones who have tried it. In America, as we have not yet entered the socialist "heaven", we have more believers of socialism than probably anywhere else in the world.

Most of our so-called intellectuals are socialists at heart, tho they may not say so. They all suffer from the delusion that socialism as they would practice it would be a revelation. That it would be, but it would be a revelation in that it would finally open up their eyes that socialism is a ghastly failure. But at what a price!

Did you know that Congressmen now are in the top 1% of all Americans in annual income? Their recent \$12,900 boost means they now get \$57,500. This does not take into account all the fringe benefits they get as members of Congress. While this was going on, the Congressmen were busy undercutting the \$50 rebate to all of us. While this rebate was a terrible mistaken idea, it merely points up the inconsistency of Congress. It takes good care of itself at the taxpayers expense. Was it ever any different?

It was in 1877 that Henry George began to write PROGRESS & POVERTY