LAND ON LONG ISLAND (cont. from page 9)

What was discovered was that the farm was assessed at less than $25,000, the assessment levied on the land prior to the war, which was the last time that Nassau County had undergone a complete re-assessment. Even though the market value had steadily increased over the decades, the assessment had basically remained the same. Since the taxes remained low, it had been profitable to keep the land off the market.

Further investigation and action on the part of the committee member led to an increase in the assessed value of the land, and hence a higher tax, in this case. However, the problem in general has not been met head-on, for there are countless instances in which land owners are keeping valuable land out of use while increasing population adds to its market value. The cost to the community is exorbitant, resulting in urban sprawl and the accompanying cost of locating further and further out on the Island. And the library? The increased value of the land had to be borne by every member of the community in higher taxes.

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Long Island Georgist

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"I ask no one to accept my views. I ask him to think for himself." -- Henry George

FROM OUR EDITORIAL DESK

Education in general, and history in particular, has undergone a multiplicity of interpretations over the decades, depending upon the times. As a study of the writings of historians is pursued, one cannot fail to see how the interpretation relates to the historical period. We are currently, for example, witnessing a reevaluation that is occurring in the field of black history--an area formerly neglected. And yet, the forces behind this movement have been decades in the making. Educators have had to retool, to learn other facets of history than that which was usually required. Schools have had to order new texts and additional reading material; in-service courses for teachers have been common.

As the decade of the seventies has begun, we have been made aware of the ever-increasing problems of the pollution of the atmosphere and of the earth itself; the high cost of housing; the increasing demands of the property tax and the rapid decay of our cities. Hopefully, society will realize how all these problems are related to the importance of land to our civilization and to our economy. Once this importance is recognized, then can the philosophy of Henry George become more widespread.

There is nothing so powerful as an idea whose time has come.

C O N T E N T S

THE LONG ISLAND GEORGIST is published quarterly by the Long Island Extension of the Henry George School of Social Science. The School is chartered by the University of the State of New York, and courses are offered without tuition fee. Further information regarding the School may be obtained by writing to:

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The Long Island Georgist welcomes comments from its readers.

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MEET HENRY GEORGE

Statesman

At the age of 47, a political "upstart" by the name of Henry George became a candidate for the office of the Mayor of New York City, challenging the scion of the Democratic party, William S. Hewitt, and Teddy Roosevelt in the race. George came in second, but claimed victory, not for himself, but for his ideals. He believed without reservation that land was the pivotal element in the progress or decline of civilization, and the 63,000 votes he received were evidence that 63,000 people were in agreement with him.

Actually, George had no political aspirations; it was not the office he was after at all. But it was clearly a way to promote the cause that was always uppermost in his mind. In writing to a friend of his, he explained his position this way, "It is by no means impossible that I shall be elected. But one thing sure is that if I do go into the fight, the campaign will bring the land question into practical politics and do more to popularize its discussion than years of writing would do. This is the only temptation to me."

The campaign closed with the Republicans depracating both Hewitt and George, who ran on an independent ticket backed by the labor organizations of New York, and the Democrats crying out that a vote for Roosevelt was a vote for George, while the policy of those who feared the rise of the labor power was "anything to beat George".

And beat George they did, though some doubt was cast as to the accuracy of the vote, since the law worked for the benefit of the party "machines", and George's party had no representatives in the polling places to count the votes. But George had gotten all that he really wanted-- a big vote. As he conceded the election to Hewitt that night, he assured his supporters that together they had "begun a movement that, defeated, and defeated, and defeated, must still go on". "I congratulate you," he told them, "upon the victory we have won. We have lit a fire that will never go out."

In the ten years that followed, George, determined to keep alive an awareness of the land question, engaged in a gruelling round of writing, traveling, and speaking. When, in 1897, he became once again the mayoral candidate of the labor organizations to oppose Tammany Hall, the strain of trying to put the breath of life into a world-wide movement had taken its toll. The iron constitution with which he had started out had visibly weakened.

Poor health notwithstanding, and disregarding the advice of friends who sought to divert him from it for his own sake, George accepted the nomination of several political organizations in the crowded auditorium of Cooper Union, saying that, "no man can ignore the will of those with whom he stands when they have asked him to come to the front and represent a principle."

Though warned that the campaign would in all probability be fatal to him, George fought for the office with all the vigor he could muster. It proved to be too much for him. Early on the morning of October 29th, four days before the election, death came to Henry George and obscured forever all knowledge of what might have been.

Politics was not Henry George's forte, and few remember him as a candidate for office. Rather, he is remembered as a philosopher, a writer, a champion of the common man, an advocate of the single tax, a thinker. But he played the game of politics in the same way he followed every bent--without compromising his principles, and with all the sincerity that was so much a part of his makeup.

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Definition of an economist: A man who reports Jones is having a hard time keeping up with himself.

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TALKING ABOUT TAXES

Income Tax Reform

With income tax season upon us, a cursory glance at the new tax reform enactment is in order. The Tax Reform Act of 1969, labeled HR 13270, received its initial planning in the House of Representatives, where all money bills emanate. The eyes of the nation were therefore focused upon the halls of Congress during the last half of 1969 as the various proposals were debated. Since this body of men determines the percentage of income an individual or corporation may retain, it is of interest to all of us to know how the determination is made

In the opening pages of the bill, it states that, "It is essential that tax reform be obtained not only as a matter of justice but also as a matter of taxpayer morale". As a nation dedicated to the principles of fairness, ought we expect our tax laws to conform to this philosophy? Even if "justice" were spelled out, which it is not, the machinations of politics enter the scene and the details (the so-called reform itself) become separated from the philosophy. In the final analysis, the justice of any tax reform cannot be fully comprehended unless the various bases of taxation are studied.

The three basic approaches to taxation can be generally categorized as the ability to pay, benefits received, and political and other pressure groups. The income tax, the major source of revenue for the federal government, conforms with the ability-to-pay concept, and has come to be closely associated with the progressive method, in which the percentage taken increased with income. Although tax laws basically conform with this philosophy, they are inundated with a multitude of loopholes; hence a prime reason for the reform bill. The reform has, therefore, been directed at the abatement of the loopholes rather than the concept of the ability to pay. The various pressure groups, by means of political pressure, interfere with the original intent, thus negating the intended purpose of the progressive system of taxation. And even if all the loopholes were eliminated, the basic philosophy of ability-to-pay takes little or no cognizance of the manner of income. Income is treated alike, whether it is earned or unearned.

The "benefits received" method of taxation, although recognized in certain types of special local assessments, such as the installation of street lights, is not part of the current mainstream. Since it is federal and not local taxation that constitutes the great bulk of income on all levels, most attention is directed towards the merits of ability-to-pay with an ever-increasing de-emphasis upon the merits of benefits-received. And yet, justice may more readily be found in the latter and more in consonance with our heritage of individualism and group associations. A contradiction? If an income is the result of one's labor--whether physical, mental, or merely an accumulation of capital--then is not one entitled to the fruits of one's labor? This is nothing more than a re-affirmation of criterial which have been an integral part of our past. But what if one's benefits or income is the result of value outside of oneself, the result of society? Justice would seem to indicate that what is the result of the individual belongs to the individual, and what society has created belongs to society. Economic rent, the return of which is the result of society in general, for society has created land values, rightfully belongs to society and not to the individual landowner.

When the Income Tax Amendment became the law of the land in 1913, no mention was given to the source of income. All income was subject to taxation. Herein lies the fallacy, for unearned income, such as that which accrues to the landowner, is treated equally with earned income, that which labor or capital obtains as a result of its efforts. Is justice in taxation dispensed when a person is basically taxed whether or not labor is involved? Until the distinction between earned and unearned income is made, confusion will reign concerning equity and justice in taxation, and any reforms will but deal with the perimeter and not the core of justice.

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The widow is gathering nettles for her children's dinner; a perfumed seigneur, delicately lounging in the Oeil de Boef hath an alchemy whereby he will extract from her the third nettle, and call it rent.

--Carlyle

HISTORICALLY SPEAKING

The Erie Canal

The utilization of natural harbors and bodies of water substantiates the maxim that man tends to satisfy his desires with the least amount of effort. Ambitious countries bordering on the Atlantic Ocean were the first to explore it and s seek vast riches just as, earlier, the city-states of medieval Italy and the Hanseatic League had capitalized on their natural advantages. However, in many instances man finds it necessary to change the surface of the earth in order to provide more satisfaction of his economic wants. The building and planning of the Erie Canal was a prime example of the effect such an improvement can have on a remote area.

Many members of the Federalist party in New York State were persons of means who achieved national fame as a result of their participation in the ratification of the U.S. Constitution and their names were affixed to the document. They also played a crucial role in the early development of the state and they recognized the necessity for improved transporation facilities.

General Philip Schuyler called attention to the importance of a canal system as far back as Revolutionary days and was instrumental in impressing other Federalists with the possibilities, but it was Gouverneur Morris who envisioned a "grand canal" extending from the Hudson River to Lake Erie, connecting the cities of Albany and Buffalo.

As an initial venture, two companies were organized to build canals to Ontario and Champlain, and among the stockholders were some of New York's leading landholders such as Robert Troup, an influential land agent; William Inman, owner of over one hundred thousand acres in the northern part of the state; Dominick Lynch, founder of the city of Rome; and Senators Rufus King and John Lawrence. Gouverneur Morris at one time owned about five million acres in New York, much of it in the Genessee Valley.

Because Federalists, including William Bayard, J.R. Rensselaer and Cadwallader D. Golden, had a great deal of political influence, the state legislators agreed at length to the construction of the much-debated Erie Canal. When it was completed in 1825 at a cost of approximately seven million dollars, a new era of prosperity engulfed upper New York. The growth of cities was stimulated and owners of the rich wheat fields prospered enormously, along with the other northern and western sections of the state. Almost immediately, the land values in the area around Seneca Lake increased four-fold.

Throughout history, others have successfully changed the earth's surface in various ways. Generations ago, Holland resolutely blocked the Zuider Zee, and in this century Chicago has reclaimed valuable land from Lake Michigan. Man has created such marvels as the Panama, Suez, and Erie canals--and this remarkable ingenuity, while it has aided travelers around the world, has benefited specifically the landed interests in the environs. Improvements in transporation, whether it is a bridge, road, or canal, enhance every adjacent land value--a value that is created by the combined actions of men and not by any individual landowner. What could be more sensible than to give back to society the values which it has created?

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The days of the nations bear no trace
  Of all the sunshine so far foretold;
The cannon speaks in the teacher's place--
  The age is weary with work and gold,
And high hopes wither, and memories wane;
  On hearths and altars the firest are dead;
But that brave faith hath not lived in vain--
  And this is all that our watcher said.

Frances Brown

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LAND ON LONG ISLAND

A Case in Point

Long Islanders, especially those who were natives of the area prior to the close of World War II, are all too familiar with its growth in population since then. At the same time, and as a direct result of the increase in residents, a phenomenal increase in land use and consequential spurt in land values occurred. The spiral continued well over the "norm", and the term "urban sprawl" became an integral part of our vocabulary. A case in point concerned a library site, a necessity for all growing communities, and illustrative of developments which were re-enacted in most growing communities.

Several years ago, two towns on the northeastern section of Nassau County prepared to jointly build and operate a library. A local committee was formed to select a site and, after narrowing down the selection, agreed upon one along Jericho Turnpike, an accessible location and one adjoining a road not far from the centers of the towns it was to serve. The site was owned by a speculator who had originally purchased it from a working farmer, as was a common practice in those days. The purchase price was infinitesimal as compared to today's market, but at the time it was probably a good deal for the farmer, too.

The committee began negotiations with the owner for the acquisition of a portion of the land that was sufficient in size to accommodate the library and the necessary parking space. The price quoted was $150,000, a figure far exceeding the original cost of the entire farm. The amount also exceeded the committee's entire budget, which included, of course, building and equipment as well as land.

Although the realities of the situation were generally, if unhappily, recognized by the committee, one individual became so incensed as to take the following action: He went to the assessor's office in Mineola, where all records of assessments in Nassau County are housed, and unlocked information which has since been found to be pertinent to other such situations as well as to the one in which he was involved.

(continued on page 16)

APROPOS

We recently noted in the Christian Science Monitor that the Dow Chemical Company, headquartered in Midland, Michigan, is suddenly showing extraordinary interest in Arizona, especially in the Tuscon area.

Dow has bought 17,000 acres of Arizona farmland. Some 14,000 acres of it is in the Tuscon metropolitan area, mostly to the northwest along Interstate Highway 10. Last summer, Dow purchased all the landholdings of Lester Antle, the area's largest grower-shipper of fresh mellons and vegetables. Speculation as to the company's intentions ran high until a company spokesman assured the Tuscon Chamber of Commerce that the land would continue to be farmed by people experienced in agriculture.

According to Dow Chemical, this is a pilot venture. Its executives believe that realty values must keep on rising with the expanding population, and that growth is bound to be dramatic around the southwestern cities such as Phoenix and Tuscon.

In addition, one of the tracts, it was discovered, contained a bed of salts hundreds of feet thick. This salt could provide unlimited raw materials to recover various minerals that are combined with the salt. After all, the founder of Dow got his start by pumping brine from a Michigan well and extracting bromine.

The wonders of population and nature!

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In the December 12th issue of the Wall Street Journal, on page 1, was a column with the following heading:

Henry George Lives;
Single-Tax Advocates
Persevere in the U.S.

Plan Seeks to Penalize Owners
Who Fail to Improve Land;
Relevance to Slum Ills Seen

The article in the Journal contains a short history of the School and the movement, with particular emphasis on the spearheading of a drive in California this year to place an initiative on the ballot eliminating property taxes on buildings and personal property, and shifting the levies to the land itself.

More about this in future issues.

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Here's an item of interest to Long Islanders. It was printed in Newsday.

"Residents of Nassau and Suffolk Counties pay the second and third highest per capita property taxes in the state outside New York City, according to the Citizens Public Expenditure Survey. Nassau was the second highest at $91.28, and Suffolk County third at $72.71. The per capita tax levy for each county is determined by dividing the total tax levy for the entire county by the most recent population estimate."

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Also from Newsday:

"In a decision that may have widespread significance, a State Supreme Court justice has ruled that a religious institution that rents its property to a commercial enterprise loses its tax exemption on the property involved.

"Horace Z. Kramer, the vice-chairman of the Nassau County Board of Assessors, said he did not know how widespread the commercial use of religious property is in Nassau County, but that the decision in the case involved would give religious officials pause before they get involved in any activities they do not run.

"Laws exempting church property from real estate taxes exist in every state. The U.S. Supreme Court has agreed to rule on constitutionality of such laws in a case from the N.Y. Court of Appeals. Both the National Council of Churches and the U.S. Catholic Conference have called for an end to the tax exemption on income earned by non-church-related business endeavors."

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WORLD LAND PROBLEMS

Land Value Taxation in New Zealand

New Zealand is often cited by Georgists as one of the foremost examples of countries where land value taxation is being practiced, but a close look at the facts may be rather disappointing.

New Zealand is a small country at the opposite end of the world from us. It has 103,000 square miles; the population is 2,750,000 or 26.5 people per square mile. Rather poor in minerals, it is not noted for industries, but for agriculture and grazing.

A national land tax was first introduced in 1891 with provisions for revaluations at least every five years. The original tax has been whittled down by amendments and exemptions, and the tax itself is generally less than 1% of the assessed valuation of the land, resulting in the collection of 1,250,000 pounds annually.

Annual rent from crown lands is another 1,000,000 pounds.

It is in the area of local taxation that the country shines. The country raises three-quarters of its property taxes from land values and one-quarter from improvements, with a total of 10,000,000 pounds collected from land alone.

However, New Zealand is noted not only for being one of the world's foremost examples of land value taxation, but also a world leader in social legislation. It has had every conceivable social reform on its books earlier than most other countries. Its social security charges are more than 20% of the entire budget, which amounts to 250,000,000 pounds annually. So when the sum total of the moneys collected from Land Value Taxation accounts for only 5% of the country's budget, this reminds us that not only must we collect all the land rent due us, but that we must also untax labor and capital. The collection of the full economic rent may well obviate the need for a preponderance of social legislation.

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FRIENDS OF HENRY GEORGE

"There was something unique about George's judgment. It was not intuitive, and yet it seemed at time to be infallibly so. I say it was not intuitive, because I never knew it to be of the slightest value, except when his intellect was aroused by a sense of responsibility; and then it was startling in its directness and accuracy. I have often said that if Henry George told me how best to go to Europe, and did so without a sense of responsibility in the matter, I should go the other way; but that if he acted undera sense of responsibility, I should follow his directions blindfold without a question of doubt."

Louis F. Post, writer and editor

"When 'Progress and Poverty' was in process, as on its completion, it occurred to me that here was one of those books that every now and again spring forth to show men what man can do when his noblest emotions combine with his highest mentality to produce something for the permanent betterment of our common humanity."

Dr. Edw. R. Taylor, lawyer

"Very soon after our acquaintance I discovered that he (Henry George) was studious and eager to acquire knowledge, and when we came to room together I frequently woke up at night to find him reading or writing. If I said: 'Good heavens, Harry, what's the matter? Are you sick?' he'd tell me to go to sleep or invite me to get dressed and go out for a walk with him. A spin around for a few blocks would do and then we'd get to bed again. I never saw such a restless human being."

George Wilbur, lifelong friend

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GEORGE SAID IT

ON CHANGE: The sailor, who, no matter how the wind might change, should persist in keeping his vessel under the same sail and on the same tack, would never reach his haven.

ON CHARITY: To learn to rely on charity is necessarily to lose the self-respect and independence necessary for self-reliance when the struggle is hard.

ON EDUCATION: Education is only education in so far as it enables a man more effectively to use his natural powers.

ON POVERTY: Poverty is the openmouthed, relentless hell which yawns beneath civilized society.

ON LAND: Land is the habitation of man, the storehouse upon which he must draw for all his needs, the material to which his labor must be applied for the supply of all his desires; for even the products of the sea cannot be taken, the light of the sun enjoyed, or any of the forces of nature utilized, without the use of land or its products. On the land we are born, from it we live, to it we return again--children of the soil as truly as is the blade of grass or the flower of the field.

ON SOCIETY: The first step toward a natural and healthy organization of society is to secure to all men their natural, equal, and unalienable rights in the material universe.

ON DOGMA: No theory is too false, no fable too absurd, no superstition too degrading for acceptance when it has become embedded in common belief.

ON PROGRESS: The progress of civilization requires that more and more intelligence be devoted to social affairs, and this not the intelligence of the few, but that of the many. The people themselves must think, because the people alone can act.

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