

THE LONG-ISLAND GEORGIST

NEWSLETTER

WINTER

1980-81

FROM OUR FALL ISSUE

To keep you informed of the increasing activities of the Long Island Extension of the Henry George School, a newsletter will be published quarterly. We hope that, as graduates of one or several courses, you will take advantage of our various programs. In this way our activities can grow, both in number and variety.

WINTER/SPRING CLASSES

The second course being offered by the Henry George School on Long Island is CONTEMPORARY ISSUES. We hope that all of you who "stuck" with us through all or most of Progress and Poverty will feel encouraged to enroll in this next course.

We will devote each evening's discussion to one of a variety of topics which will include Public Debt & Deficit Spending vs. A Balanced Budget, Regulation: Too Much or Not Enough, The rights of Man, Unemployment, Concentration of Political Power, Concentration of Wealth. The sessions will make use of current events as well as George's Social Problems.

The classes are scheduled at:

Bellmore-Merrick at Brookside Jr. H.S.; 8:00PM, Mondays; starts Jan 26, rm 118

Oceanside at Oceanside H.S.; 7:30PM, Mondays; starts Jan 26, rm N120

Levittown at MacArthur H.S.; 7:30PM, Wednesdays; starts Mar. 4, rm 301A

PROGRESS AND POVERTY FALL COURSES COMPLETED

Progress and Poverty, which is the basic course offered by the Henry George School, was taught this fall in five school districts in Nassau County.

The abridged text and a totally revised syllabus was used in the Fall of '79 on a trial basis in two classes. This Fall all the five classes used the abridged text and the revised syllabus. The text was supplemented with three of Henry George's speeches (available in pamphlets from the School) and a Harper's magazine article on LAND (Jan'79).

We graduated about 80 students. We hope to see all of you in CONTEMPORARY ISSUES. (See left column.)

A SPEAKERS' BUREAU TO BRING LAND VALUE TAXATION (LVT) TO THE COMMUNITY

Some of our students and friends have suggested that the essence of Henry George's concept of LVT should be distilled into a "one-shot" speech that can be offered to civic, fraternal and religious organizations on Long Island. These organizations frequently are looking for new, different programs. And with reassessment in the local newspapers almost every day, a talk on LVT should encounter interested, receptive (?) audiences. Is this true? Would your organization be interested? Give us some feedback.

CRITICISMS OF HENRY GEORGE

Alumni have been taking a course bearing the title of this article. Our instructor is Phil Wurtzel, a long time devotee of Henry George. The basis for the course is Phil's tape library of his readings (which Phil recorded) of selected passages from the works of notable economists, philosophers and social scientists. Phil first addresses the class on the session's topic; e.g., the welfare state; and then he plays selections from his tapes. We average 10-12 students a session.

Six faculty members of the Henry George School in teams of two discussed contemporary issues with Stan Rubenstein, director of the School's Long Island extension, as moderator. We literally talked to ourselves in a box (we were in the recording studio taping some radio talk shows).

Station WVHC (88.7 FM) did the taping and broadcasting (Tuesdays, 7:30-8:00 PM, Oct. 7th through Dec. 2nd. Did any of you hear any of them. They were publicized in the Fall issue of this newsletter.

We would appreciate any feedback, but of particular concern would be knowledge of your interest in having them rebroadcasted; that is, the more interesting ones. We would then ask the Station to reschedule them.

PROTECTIONISM VS. FREE TRADE WHICH CAN (OR MUST) THE U.S. AFFORD?

Murray Barten, one of our Long Island instructors, addressed the Henry George Alumni Group of Long Island on this subject at our general meeting, Tuesday, November 25th.

Murray began simply. What is "trade" but "exchange". And what is "foreign trade" but exchange between individuals (or companies) of different nations. Why trade? People trade because they want to acquire something. To get it they offer something in exchange. The fundamental, universal principle of free exchange is that both sides to the transaction benefit. Trade is a natural development among men seeking to improve their individual welfare.

But, as Murray explained, the problem today is that protectionism has reared its ugly head once again. Individuals who are not involved in the trading transaction, but who wish they were, seek to prevent the foreign trader from participating and hope to substitute themselves. The most obvious current example is in the automotive industry. It would rather have the American consumer, who desires to make the best buy he wants, to buy an American built car rather than a foreign built one.

Murray categorized the interested parties as consumer, manufacturer, labor unionist, stockholder, and the government. The consumer wants to buy the best possible product at the

lowest possible price. But the manufacturer refused to provide what was wanted, a fuel efficient car. Instead he offered sex and beauty and this was no longer selling; and what small cars he did offer were simply stripped versions of his more expensive models.

Labor unions want to protect jobs. The stockholders want to maximize dividends; would any ask management to plow profits back into modernizing the company's plants? The government isn't sure what it should do: do people want more regulation (of trade) or less?

After the talk the audience broke up into groups where individuals did "role playing" with each acting as if he were one of the five categorized parties Murray described. A collation was provided during this activity.

THE PITTSBURGH GRADED TAX PLAN*

Land Value Taxation (LVT) is successfully working in Pittsburgh, PA. By becoming acquainted with the record of the Graded Tax Plan (GTP) we might gain some insight as to what we might try to accomplish in New York, specifically in Nassau County.

The "progressive movement" was strong during the early 1900's and was evidently having its effect on the law makers regardless of political affiliation. The way was paved for the launching of the graded tax movement in Pittsburgh.

The plan was first sponsored by a "third party" organized in 1910 when independent and progressive citizens throughout the state were aroused into action. Here was one plank in their platform: "We believe that the unduly high price of land in this country, causing high rents for both factory and home, is the greatest obstacle in the development of diversified industries in this district. These high prices are due largely to the speculation in land by which a few individuals appropriate to themselves the values resulting solely from the growth of the community.

*Adapted from the talk given by Albert Fink at the Henry George Alumni Group meeting, October 7, 1980, at the Plainview Public Library

"In order to remedy this, we would greatly relieve the improvements on land from taxation, and to this end, we favor the reduction of assessments on such improvements at the rate of 10% a year for a period of five years, thereby reducing taxes on all improved real estate and somewhat increasing them on land held out of use. Such a policy would tend to reduce rents and to cause the improving of unused land to the great benefit of all the people."

The "third party", the Keystone Party, did not get anywhere and vanished after the 1911 elections; but its plank lasted. In January, 1912, a Civic Commission recommended that the tax rate on all buildings be fixed at only 50% of the rate on land, and that in order to allow adjustment of investments and to prevent hardships this change should be spread over five years in 10% steps.

The state legislature was to assemble again in January, 1913, and no time was lost in seeking the support necessary to obtain the desired legislation. Single taxers had begun efforts several years earlier. Many of them were politically minded and eager to see some steps taken toward the practical application of Georgist principles. Being active in civic and political affairs and enthusiastic for social reform, they were inclined to seize every opportunity to advance their ideas. Many affiliated with the Democratic party, which was decidedly the minority, and were frequently nominated for important political offices and sometimes they were elected or appointed to such jobs.

The single taxers were a small minority group and could not hope to win without allies. They conceived the idea of inducing Boards of Trade, Chambers of Commerce and other civic organizations to listen to single tax lecturers. Some of these lecturers were from New York.

Finally on February 26, 1913, a Republican representative from Pittsburgh introduced the graded tax bill in the State legislature. The Republican party was in control of both houses, but the bill had strong support from both parties. It passed both houses and the governor signed the bill May 13, 1913, to become law in 1914.

The new tax came under attack but weathered the storm and is now fully accepted. Repeal did actually pass the House and Senate in the spring of 1915 but the governor vetoed

the bill. The effort to repeal was not entirely abandoned—real estate interests continued to offer criticism from time to time—but the act of 1913 was never again seriously threatened.

The act was not optional; it was mandatory. The process of gradually shifting the weight of taxation from building to land was automatic; it was done in 10% steps every three years till the tax on land values was twice that on improvements.

In 1976 Pittsburgh adopted home rule charter which allowed the city council to change the ratio if it so desired. In 1979 the ratio went to 4 to 1, in 1980 to 5 to 1.

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