

FOUNDATION NEWS

JULY, 1950

LET'S ALL SUPPORT THE PENNSYLVANIA CAMPAIGN!

"Without economic freedom, no other freedom can endure."

—Benjamin Franklin

Dear Georgists:

"That we here highly resolve that these dead shall not have died in vain—that this nation, under God shall have a new birth of freedom."

Thus spake Abraham Lincoln four score and seven years ago.

The struggle for freedom is constant. In Lincoln's time it centered around the problem of human slavery. In our day it is revolving around the problem of economic freedom. This is the problem now gripping the world. There are those who clamor for dictatorship, regulation and control,



while others contend that all that is needed is to do justice. Georgists are of the latter school and in the years past they have carried on in the best tradition of Adam Smith, Thomas Jefferson, Abraham Lincoln, Woodrow Wilson and Henry George. But it was given to George to discover and spot the cause of the

halting progress of economic freedom, and it remains for us, the disciples of Henry George, to highly resolve that the labors of those who have gone before shall not be in vain and that a glorious chapter shall be added to the Freedom Story.

A hard and stubborn struggle lies ahead. All the arts of the scholar, the statesman and the politician must be brought into play to overcome not only the enemies of freedom, but to pave the way for the great achievement. With

(Continued on Page Six)

HENRY GEORGE FOUNDATION OF AMERICA

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THE PENNSYLVANIA CAMPAIGN

Keystone State Leads in Movement

This Issue of Foundation News is devoted to the Pennsylvania Campaign. All Georgists are urged to read it and to keep it for reference.

Pennsylvania Points the Way

Pennsylvania, native state of the great American social philosopher, and the second largest in the Union, has long stood as the pioneer in the practical application of Georgist principles in municipal taxation. Its second and third largest cities have taken significant steps toward the adoption of scientific taxation. Both of these important cities have consistently adhered to the policy of concentrating the principal burden of municipal taxes upon land values. The people of Pittsburgh and Scranton have accepted the Graded Tax law of 1913 as a forward step, now firmly established as sound and beneficial.

A Great Field for Action

In Pennsylvania there are exactly 50 cities, with a combined population of approximately four and one-half million, or slightly over 44% of the state's total population. There are also numerous boroughs and townships. Of these 50 cities, 47 are classified by law as cities of the third class.

Nature and Scope of Campaign

This campaign will be directed toward aiding and encouraging local action and will involve no complications with state taxes. It will embrace all of the 50 cities, immediate attention to be given to the 47 third class cities.

State Constitution Favors Action

In Pennsylvania, unlike many other states, there is nothing to prevent the taxation of land values as proposed by Henry George. The Constitution permits the taxing authorities to differentiate between land and improvements in the levying of taxes. And there is no constitutional or legislative limitation upon real estate tax rates.

The Legislature placed its stamp of approval on the Graded Tax Plan in 1913, when the cities of the second class adopted the separate assessment and taxation of land and improvements. This mandatory legislation has stood the test of time and experience, resisting all attacks.

Plan Politically Popular

Pittsburgh's Graded Tax Plan, which originated with a few practical and influential Georgists, has received strong support from intelligent public officials and political leaders, Republican, Democratic and independent. It has been a non-partisan, rather than a partisan issue. While determined opposition had to be overcome, yet Republican and Democratic Mayors and Republican and Democratic Councilmen have alike given it strong endorsement and support.

Third Class Cities Interested

For years civic leaders in cities of the third class have been interested in applying the Pittsburgh Plan to their own

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cities. But without local option in taxation, no city was free to act on its own initiative. Among the larger third class cities are Erie, Reading, Allentown, Wilkes-Barre, Harrisburg, Altoona, Chester, Johnstown, Lancaster and York, ranging in population from 117,000 to 56,712.

Local Option to Give Freedom of Action

It is obvious that the first step is to obtain local option or home rule in taxation. Then any one or several of the third class cities may adopt a Graded Tax Plan similar to or better than the Pittsburgh-Scranton plan.

Home Rule in taxation has been authorized within limitations by acts of the Legislature since 1931. The practice is now widely applied throughout the state under acts of 1947. It is reasonable to believe that the Legislature can be induced to extend this policy so as to permit cities to adopt the Pittsburgh-Scranton plan.

Untax Improvements—Tax Land Values

This is the simple, concrete issue on which the campaign will be based. All non-essential controversies and antagonisms will thus be avoided. The citizen has only to make a simple choice, to register his answer to a question which he can readily understand without any profound economic education.

Tax Savings a Direct Appeal

A large majority of the land owners of any typical urban community will realize substantial savings in their annual taxes under the Graded Tax Plan. It will therefore be popular, not only with tenants and those who own no land, but with the many small land owners and most of those who own improved properties.

Popular with Home Owners

In most cities probably 90% of the home owners will benefit directly through substantially lower annual taxes under a graded tax, and much more, of course, by the complete untaxing of improvements; because their investment in improvements so greatly exceeds their investment in land. The owners of the more valuable land, particularly those holding vacant or under-improved land, will, of course, pay a larger share.

Only a small proportion of the real estate owners will have any occasion to object to the new system. Certainly that large number of citizens who own no land will have no cause to oppose the measures proposed.

Important Step in Social and Economic Reform

Even more significant are the social and economic benefits, which can be readily appreciated by almost any one. It is, for example, obvious that lower taxes on homes and

higher taxes on unimproved land, encourage the building of more and better homes. The plan will be advanced as the key to a solution of the housing problem, now so widely recognized as a major social problem.

To Expand Production and Maintain Employment

The construction industry plays a great part in the maintenance of employment and prosperity. It is only necessary to show the strong incentive to building that is offered by untaxing improvements and by higher taxes on land values, which make it unprofitable to hold valuable land idle or inadequately improved.

Potential Majority Support

It must be frankly recognized that the creation of favorable public sentiment is the prime essential. Such sentiment can only be developed by raising a concrete issue of a practical nature. Indifference and inertia must be overcome. The prospects for a winning campaign are based primarily upon the fact that a potential favorable majority already exists to support our concrete, limited objective. What is proposed is not only just and expedient but will have a popular appeal to the large majority of citizens if the simple message can be effectively brought to their attention. While the potential opposition is economically strong and not without substantial influence, it represents a political minority.

Legislation Drafted

Tentative legislation has already been drafted under the provisions of the constitution, which would permit any one or all of the 47 cities of the third class to adopt a policy of concentrating municipal taxes on land values. Being optional in nature, strong pressure from a few of the more important cities should be sufficient to enlist the necessary support.

Survey of Principal Cities

A preliminary survey is being made of several cities, particularly the larger ones where the higher land values prevail, for the purpose of judging where the greater number of favorable factors exist and what obstacles must be overcome. The campaign will be carried into every section of the state and the aim will be to enlist support in every city so far as possible. This will pave the way for the necessary state legislation. When local option has been achieved, all possible aid and assistance will be made available to speed action in that city which appears to offer the greatest opportunity.

Advertise — Organize — Popularize

Our course is clear. The issue must be faced now if our ideals are ever to be realized. There is no quick and easy way. But there is a line of least resistance and greatest support. The first battles may be the hardest. Nothing of value can be won without effort. Let us not imagine that the attainment of the goal will be either automatic or voluntary. Money must be provided in generous amounts to advertise and to organize. Only in this way can our issue be popularized and the victory won.

To Enlist Thousands of New Recruits

What the Georgist movement needs most of all is many thousands of new recruits. Recruits in large numbers can only be enlisted by the presentation of issues involving the simple, concrete objectives which have a natural popular appeal, and by translating theories into practice, so

that the great benefits of sound economic reforms can be appreciated and proven in actual experience.

We learn by doing! The practical Georgist is one who will vote for, or otherwise actively support concrete measures advocated by Henry George.

National Significance

What can be done in the cities of Pennsylvania can also be done in thousands of communities throughout the United States. Successful political action is possible if we have the courage to fight for the principles which we have espoused.



"Without action the theories to which we profess allegiance effect nothing."
—Jackson H. Ralston

Your Help Is Needed NOW!

The plan outlined in the foregoing pages represents a program that was evolved through the considered judgment of a group of longtime followers of Henry George. In this group are men and women of a wide variety of practical business, political and promotional experience. They have banded together to provide a spearhead for a revived movement; they are devoting their abilities and contributing money to make this project a success.

But they cannot do the job alone. **YOUR HELP IS NEEDED.** You are earnestly requested to study this new program and give it your support—your suggestions, your endeavors and your financial contribution.

Write to

Percy R. Williams, Secretary

HENRY GEORGE FOUNDATION OF AMERICA

417 Grant Street, Pittsburgh 19, Pa.

POLITICAL WISDOM OF HENRY GEORGE

"It is an axiom of statesmanship, which successful founders of tyranny have understood and acted upon, that great changes can best be brought about under old forms. We, who would free men, should heed the same truth. It is the natural method."

"What I propose as the simple, yet sovereign remedy, is to appropriate rent by taxation."

"Any popular discussion must deal with the concrete rather than the abstract."

"In the United States, the most direct way is through local taxation, since that is already to some extent levied upon land values."

"The political art, like the military art, consists in massing the greatest force against the point of least resistance."

"To adjust our institutions to growing needs and changing conditions is the task which devolves upon us. Prudence, patriotism, human sympathy and religious sentiment, alike call upon us to undertake it."

—Henry George.

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(Continued from Page One)

this in mind the Policy Committee of the Henry George Foundation has set up a program that calls for educational and political action on state and local levels.

Of the several states where the door is now open to advance legislation, none seems at the moment to present a better opportunity than the great state of Pennsylvania, with its fifty cities and numerous smaller municipalities—where the Pittsburgh Plan has become famous as a symbol of Georgist achievement in tax reform and economic freedom.

In this issue of the "News," we briefly outline our concept of the Pennsylvania Campaign as an example of a political strategy that is new, and that will enable us to avoid some of the disadvantages with which Georgists have had to contend in previous efforts. It seeks to follow the wise counsel of Henry George himself, who was always keenly interested in political action and quite familiar with the political art.

Because we must begin somewhere, because Pennsylvania seems to offer a unique opportunity, and because the success of this campaign will be an immense stimulus to the entire movement, I am now calling on all Georgists to unite in giving their hearty support to this aggressive, non-partisan campaign. Our cause is just and we believe there is no good reason why it cannot be made a popular cause. America and the world needs very much today what we have to offer.

Fraternally yours,

CHARLES R. ECKERT, President
Henry George Foundation