

HENRY GEORGE NEWS

"The mode of taxation is quite as important as the amount. As a small burden badly placed may distress a horse that could carry with ease a much larger one properly adjusted, so a people may be impoverished and their power of producing wealth destroyed by taxation, which if levied in another way, could be borne with ease"

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June 1979

Washington tax probe

by P.E. Poole

Residents of Washington, D.C. are to be told how much they would pay in taxes if their homes were exempt from property taxes.

This information can only be compiled by the League for Urban Land Conservation with the aid of computer and data systems of the Dept. of Finance and Revenue.

So the League, as part of its program of educating people to the benefits of land value taxation, is seeking official backing for the project.

Mr. Walter Rybeck, 54, the League's president, has written to Mayor Marion Barry seeking support. In his letter, Mr. Rybeck — who is special economic adviser to Representative Henry Reuss — recalled the work by the Committee on Finance & Revenue when Barry was its chairman.

"Your hearings showed how untaxing improvements would let economic development and housing renewal 'take off' throughout the entire District, rather than in only a few 'hot spots' and that this would induce enough new construction and rehabilitation to counteract the present displacement of residents.

"This activity would generate jobs, restore life to the now-defunct rental construction industry, increase housing supply generally, and hold rents and sales of dwellings to more reasonable levels."

The League wants to finance a city-

wide analysis of the impact of land value taxation on the U.S. capital, to inform homeowners and businessmen of the effect on their incomes.

In addition, the League intends to sponsor an ambitious project to study the medium term effect of a switch to land value taxation. Previous studies have concentrated on the immediate impact.

The "dynamic" study, designed by Mr. M. B. Hodges, a leading Washington economist-appraiser, will take into account trends in land sales, new construction, etc. These responses would be fed into a computer to calculate revised taxes. A panel of experts will advise on the way people will respond to the change in the tax structure.

"The land use and economic growth patterns projected for the decade are likely to be more realistic than previous forecasts of how a large city will respond to the untaxing of buildings," says the League.

"It is recognised, of course, that no panel can predict the future with precision because many factors other than the tax climate will be changing. But identification of the general directions of change should be significant to urban policy makers and useful to planners in the private sector as well."

The urgency for change in the property tax structure is well-illustrated by

CENTENNIAL CELEBRATION

Our friends from overseas need accommodation during the International Conference in San Francisco, August 20 -25th.

To help make a foreign visitor's stay more pleasant (and inexpensive) call or write NOW:

Centennial Committee
Henry George School
833 Market Street
San Francisco CA 94103
362-7944

the misuse of land and buildings in Washington itself.

The city is seeking developers to build new homes, such as the projected development on 11 acres in the 14th Street area. At the same time, however, the capital has a large number of unoccupied houses. Last year, there were 2,800 privately-owned vacant housing units and 1,300 city-owned vacant housing units. Many have been vacant for years. A suitably adapted property tax which penalized the underuse of valuable land would rapidly compel owners to modernize the housing stock and take some of the heat off the need to invest scarce capital in new constructions.

SCHOOL NOTES

CANADIAN NOTES - ONTARIO

The combination of a national platform allowing portions of local property taxes to be federally tax-deductible and local political endorsement of 100% market value assessment on vacant land, found the School of Economic Science close to the center of a local flurry of socio-economic activities.

Toronto's new mayor is calling for more equitable local tax reforms, with the press endorsing moves to put land to higher and better uses.

Politicians and educators are asking for more "accountable" methods of better educating our urban population to practical civic values and responsibilities. Many have shown direct interest in the activities of our organization via telephone conversations and correspondence.

Students - 22 so far this year - and associates of the School have been putting their ideas into practice through research assignments. The School provides practical incentives for their economic endeavors by integrating them as much as possible with the practice of Henry George's socio-economic philosophies.

The School recently completed a research study in conjunction with our associate in the Urban Planning Dept. at Ryerson Polytechnical Institute, **Prof. David Amberski**. * It involved our graduates and associates of the Institute in a study of the property tax in Toronto. Orders have already been received for this work and current interest is running at a high level.

*An Examination of the Administration of the Property Tax in Metropolitan Toronto, School of Economic Science (\$5.00)

Northern California Henry George School
1949 CELEBRATION 1979

THIRTIETH ANNIVERSARY CIVIC DINNER

Fort Mason Officers' Club
(Bay at Gough St.)

Wednesday, June 20th

Cocktails at 6.30 pm

Cost : \$9.25

Dinner at 7.30 pm

"Henry George - The Man and the Intellect"

Featured Speaker: **Kevin Starr** - author; columnist for San Francisco Examiner and former director San Francisco Library.

In attendance, Spring Graduates and honored guests

The Toronto Star has assigned a reporter to cover our organization for a feature article on property tax reforms in Ontario.

Our student involvement is not, however, restricted to urban issues. An examination of rural land values in relation to taxation levels in Aldeborough Township, Elgin County, is nearing completion, aided by students of West Elgin Secondary School under the supervision of our associate, **John Fisher**. He prepared an area data map, partly financed by a Federal Government work program grant-in-aid. A preliminary report of our rural educational and research activities is available.

In the field of high school teaching, the use and acceptance of our film "One Way to Better Cities" and our modified "Newtown" simulation game continues, aided by promotion via Ontario curriculum guideline commentaries and the North York Board of Education. We hope to involve and interest these high school students in the School of Economic Science's summer programs and projects.

CHICAGO ACTIVITY

Four members of the Board of

Trustees of the Henry George School here plan to attend the International Georgist Conference and Centennial Celebration in San Francisco in August; **Bob Jene**, **Sam Venturella**, **William Ranky** and **Henry Tideman**.

Bill Ranky is the chairman of the committee for program and arrangements of the Chicago observance of the Centennial of Progress and Poverty. The Centennial Edition of P & P will be presented to Chicago Public Library in a ceremony at Preston Bradley Hall of the cultural center on October 10 from two to four in the afternoon. **Dr. Preston Bradley** himself is scheduled to speak.

The "Birthday Dinner" of the Henry George Club was held June 1st. Featured speaker was **Sam Venturella**.

Cal Skinner is proposing enabling legislation for a local option "single tax" on real estate. **Sam Venturella** supported him in a letter to the Tribune.

The Board of Trustees of the Henry George School voted at their April meeting to send one year subscriptions of the Henry George News to all graduates of the Chicago School for the last ten years.

Progress and Poverty



THE CENTENNIAL CELEBRATION

CELEBRATING THE 100 ANNIVERSARY
OF HENRY GEORGE'S SEMINAL MASTERPIECE
"PROGRESS AND POVERTY"

August 20-25
Jack Tar Hotel
San Francisco

The British Land Wars – Conclusion

The battle ebbs and dies

by ROY
DOUGLAS

The sensational liberal victory of 1906 made land reformers believe that at least site value rating, and perhaps much more besides, was just round the corner. The movement was nowhere stronger than in Scotland. Five-sixths of the Scottish M.P.s were pledged to the proposal. Government Bills to value the land in Scotland, preparatory to taxation, passed the Commons and were then wrecked by the House of Lords in 1906 and 1908.

In 1909, Lloyd George, Chancellor of the Exchequer, was faced with a most unpleasant problem. The Government had embarked on a great policy of social reform, and was also engaging in a considerable "naval race" with Germany. Lloyd George proposed that a small proportion of the extra money required should come from taxes which fell on land.

People will argue for ever about what Lloyd George was trying to do; but I shall give my own interpretation, based on a study of the Cabinet papers and others. I don't think he was a single-taxer; in fact, he categorically denied that he was one. He did, however, desire to see land both valued and taxed.

Unfortunately, he could not get a valuation Bill through Parliament, because he realised that such a bill would meet the same trouble as the Scottish Bills had already encountered from the Lords. He had some reason for thinking, however, that if he introduced certain rather odd and exotic land taxes into his Budget, he might be able to slip in a general valuation of land (which would then form a basis for future taxation) and get the whole thing through.

In fact, things didn't work that way at all. So far from circumventing the Lords, he found himself in a most bitter constitutional struggle against them; which didn't end until there had been two General Elections within a year, the Budget had been pushed through, and the constitutional powers of the House of Lords had been drastically curtailed.

By 1911, the land reformers were becoming more and more eager, and more and more radical. The Government had a

And in 1979?

British farmland has paid no local taxes for 50 years. Services are paid for by other property owners. But, landowners are watchful. Said the Scottish Landowners' Federation recently, "It will be natural for the urban majority to look with longing eyes at the largest and most efficient industries in the country – agriculture and forestry. They will wish to devise ways and means of raising money, possibly by rating (taxing) agricultural land and thus putting our farmers at a disadvantage."

great many other problems on its hands beside the land question, but the land reformers were determined to push their own proposals to the top of the list.

They lobbied Asquith, the Prime Minister, and they lobbied Lloyd George. When they thought that the Government was dragging its feet, they took the campaign into the country. Liberal Associations were prevailed upon to adopt advanced land taxing candidates in by-elections, and the results were often spectacular.

Eventually, the Government was constrained to set up its Land Enquiry, which reported in stages in 1913 and 1914. The campaign was taken up more or less officially by the Government, and reports from Ministers made it absolutely clear that the land question was really stirring the country. The Government's proposals were most certainly not pure Henry George; but they were also not proposals which would stand in the way of an eventual solution on Henry George lines; and Georgists seemed, on the whole, pretty satisfied with the way things were developing.

Then, with great suddenness, came the 1914 war. Some of the keenest land taxers, like C.P. Trevelyan and R.L. Outhwaite, opposed the war altogether. Others, like Josiah Wedgwood, went out and fought. Issues partly, but not entirely, related to the conduct of the war led to

Asquith and Lloyd George drifting apart; and each of them took with him some of the land taxers. Above all, for four years all public interest centered on the war itself, and long-range economic questions were swept aside.

By the end of the war in 1918, Lloyd George was heading a coalition whose main support came from Conservatives. A general Election gave that coalition a huge majority. Most of the Liberal celebrities, headed by Asquith himself, were defeated.

The Liberal Party soon lapsed into a state of civil war. A large proportion of the leading land taxers left its ranks, hoping to influence the rising Labor Party in their own direction. Others, obsessed with fear of socialism, moved towards the Conservatives.

On several occasions, in the years that followed, land came back into the forefront of political attention, and then slipped back into obscurity. The real point is this. Divisions which derived essentially from the war itself led to the scattering of land taxers in all directions.

By 1925, Asquith and Lloyd George, with their respective and quarrelling followers, were uneasily together again in the Liberal Party; yet Wedgwood and Trevelyan had recently served as Ministers in a brief and unhappy Labour Government.

Winston Churchill, who – in his day – had been as keen a land reformer as most, was Chancellor of the Exchequer in a Conservative Government. Outhwaite had gone off on a frolic of his own.

In other words, human relations at the top had broken down, and the rank-and-file had allowed themselves to be sidetracked from the problem which they had come so near to solving. That problem is still as important as it has ever been; the immediate question for radicals* is how to bring it to public attention in a way which will provoke the solution we want.

*The words 'Liberal' and 'radical' are used in their English sense, which is markedly different from current American usage.

SO YOU HAD 4 COPIES OF THE HGN DELIVERED?!

We have a problem that shouldn't happen to a nicer publisher. We've been adding various North American Henry George School mailing lists to the HGN. If you are on more than one list (and it's likely you are) you'll get a duplicate listing in our files. Our problem is to merge the lists and remove duplications. It's a problem because we are severely limited in staff AND we have to decide which of the listings should be removed. Strangely enough, with the relatively cheap non-profit postage, it isn't too expensive to leave them in for a while. However, we are getting to them! What we shall do is to remove the cards that originate in far away places. For example, if you live in New York and you get the HGN from San Francisco, Los Angeles and Long Island, the Long Island card will stay in — the rest will be culled. Other mailings will originate, as before, from the various local Henry George Schools.

Why hasn't this already been done? Well, this is our problem (all HG Schools should have such problems)! Almost at the end of the school year, a high school became hot for our InterStudent High School material. They had the money to buy and wanted to try a week with 150 students as an 'audition' for a full-scale Program next Fall.

From our last printing of 2,000 booklets, we had fewer than 40 left. So, we couldn't supply them, could we?

Like heck we couldn't! Although the Eighth Edition was only partly finished (didn't we have all summer to do it?) We got to the machines and started work.

Before the end of term (and before final exams) we completed, printed and

delivered the booklets and the students suffered through their first Mini-Unit.

We **could** have pleaded "nolo contendere" or something, and got on with the mailing lists, but we thought the kids should have priority. And, so do you.

Things look bright for the future. You can expect a HGN with more pages and a new name. In this Centennial year

the Henry Georgists are beginning to show a little muscle.

Join us in future issues as we explore the contemporary scene from the viewpoint of classical political economy.

And bear with us for a while as we plow through the lists, culling with care the duplicates and correcting the errors. Thanks!

NO COMMENT

The Suffolk County Legislature on January 23, 1979 approved Resolution No. 1032 TO STUDY THE EFFECTS OF LAND VALUE TAXATION IN SUFFOLK.

The purpose of this memo is to outline the specification for the study to satisfy the requirements of the Resolution.

The Study should include the following:

An analysis of the difference between Land Value Taxation and other forms of Real Property Taxation.

An analysis of the current tax burden under the current system.

A statistically significant sample for each property classification for each town in Suffolk County.

An evaluation of the relationship between market value and assessed value for the various classifications of properties in the county by town.

An estimation of full value for each parcel in the sample.

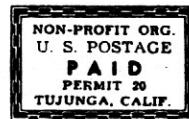
Determination of the shifting tax burden between and within classes of property under various policies of land value taxation. For example, taxing the full value of the land plus the current assessed value of the improvements or utilizing differential tax rates.

The Study specifications are subject to the following:

- That adequate data be available in order to satisfactorily conduct the study.
- That Suffolk County cooperate with the study team to its fullest capacity.
- That the county provide the study team with all available data in computer and non-computer form at no cost to the study team.

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