

The Henry George News

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"the sensible tax"

Remarks by Rep. Henry S. Reuss (D.-Wisc.), Chairman of the House Committee on Banking, Finance and Urban Affairs, at Progress & Poverty Centennial Banquet, on September 15, 1979, in Philadelphia.

In my duties as Chairman of the City - Urban Affairs part of the Banking Committee, I, a number of years ago, became concerned at the way our system of taxation was helping to ruin our great American cities, and then, somewhat late in life, I came upon the works of Henry George, and the beautiful simplicity of his analysis and the obvious rightness of his conclusions piqued my imagination. And so, it is, that I followed very closely the progress made in Pittsburgh and what the province of Alberta has done; what happens in New Hampshire and upstate New York, and in those few places, where the writ of Henry George runs the day. It's ironic, that Henry George, in his day, was the most widely read and listened to American of that generation. His ideas have come down to us through a devoted group of followers who keep him alive.

Today, the need for the thinking of Henry George is greater than it was 100 years ago when **Progress & Poverty** was written. The land, and the great geological deposits beneath it have fallen into the hands of fewer and fewer people, and so the speculative value in those lands are now the worst single element of our whole inflationary index, which is why I have boldly asked the keepers of our national statistics if they wouldn't please include land-value in the wholesale and in the consumer price index.

It's ironic that in a day when we have more need than ever of Henry George, we, despite the wonderful things that have been done in Pittsburgh and some of the other places that I have mentioned, haven't yet come to achieve that which he preached. After all, even the single tax phrase of Henry George didn't completely convey the doctrine he had in mind, and certainly, its modern counterpart, site-value taxation, doesn't send me very, or tell me very much about what we are talking about. Maybe one of the troubles of our approach is that we keep talking about a tax, and as subtle students of Proposition 13 and other tax measures in recent years have remarked, taxes aren't very popular. So, to say "a tax", whether it's a single, double, triple, or site-value, just doesn't sound very good.

If you look at what needs to be done with the sensible tax, which will put an adequate tax on land and the fruits of the soil, and thus be able to moderate the tax on improvements that mankind has placed upon land, the homeowner's property, the industrialist's factory, or the financier's office building; if we change the tilt as few of our cities have begun to do, so that you down tax improvements and up-tax land, then some progress would really be made.

Now, if you look at our problems today, they're inflation, energy, and the beginning of a recession. Every one of those problems can be met in a meaningful way by a system such as Henry George preached. If we didn't give the keys of the kingdom to the land speculator, we wouldn't have the system of scatterland and splatterland, which makes a fiscal mockery of our metropolitan areas. We wouldn't see our downtowns degraded by unnecessary, rubble-strewn wastelands, with occasional pornography shops to festoon the landscape. If we taxed idle land in a proper way, and if we relieve improvements of the shackles we've placed on them by asking land to bear its fair share of the burden, then jobs by the thousands would be made in this country, and we wouldn't have the terrifying spectacle of 40% minority teenage unemployment in our cities and a national unemployment problem that is one of the scandals of the industrialized world.

Finally, if we had a rational system of sorting out that which we ought to tax, and that which we ought not to tax, we could be the greatest savers of energy; because if you have compact development, just as sure as heat rises, you're going to achieve energy saving. Just as sure as housing that is built so as to utilize land successfully would shield you from the cold north winds, you're going to save energy there, too, and in a hundred other ways.

So, let us devote our efforts, in the next hundred years, to perhaps see if we can't get a more popular set of vestments with which to describe and clothe our great philosophical movement.