

HENRY GEORGE NEWS

"What constitutes the rightful basis of property? What is it that enables a man to justly say of a thing, 'It is mine'? From what springs the sentiment which acknowledges his exclusive right as against all the world? Is it not primarily, the right of a man to himself, to the use of his own powers, to the enjoyment of the fruits of his own exertions?"

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ALVORD AND HARRIET

by Will Thorne

Ever hear of Henry George ?

Harriet D.M. Wendell has and that's why the 65-year-old Santa Monica apartment owner is paying \$592.64 more in property taxes than she was billed for.

Mrs. Wendell, who could have saved \$796 under Proposition 13, is a follower of the economic principles of George, a 19th-century economist who believed land — and only land — should be taxed.

As such, she is anti-Prop. 13, the only property-owning taxpayer known to have made public such views since the tax-limiting state constitutional amendment romped to electoral victory June 6.

"I am paying more property tax than I have been billed because Prop. 13 has not allowed enough revenue for police and fire protection," she wrote to the Los Angeles County Tax Collector H.B. Alvord when mailing in her tax bill.

She also cited the need for more money for "public libraries, care of the mentally ill, smaller classes in public schools" and added she believes Prop. 13 "increases the dangerous inflation of land prices and helps land speculators."

Mrs. Wendell's letter proved to be something of a puzzler for

Alvord, who is not used to receiving \$592 overpayments — not, anyway, by the payer's intent.

"Normally, we would send something like this back and ask for another check for the correct amount," he said.

But after thinking it over a while, Alvord decided to write Mrs. Wendell a letter to be positive she hadn't made a mistake or changed her mind. He also decided to refer the matter to the Board of Supervisors.

"The intent is certainly there to give the county a gift, or so it would appear," he said. "I don't think I have the power to (accept or) reject a gift to the county."

Alvord said he would also check with the Board of Supervisors to see if any of its members has a specific project on which he would like to see the money used. If not, it would go into the county's general fund.

Mrs. Wendell decided to make the gift to the county after reading George's theories on economics.

"You've never heard of Henry George!?" she exclaimed. "He was a great economist and the 100th anniversary of his great book, 'Progress and Poverty' is coming up this year."

As she explained in her letter to Alvord, she said George's main principle was single taxation of a single possession — land.

"Taxing buildings discourages

Harriet Wendell not only reached these pages from the Santa Monica Outlook ; she also was featured on the front page of the Los Angeles Herald-examiner, was interviewed for NBC News and was called by a Washington DC radio show.

the construction of housing, which increases rents and unemployment," she wrote. "Not taxing land enough causes inflated land prices, one of the major causes of inflation."

"When I owned this lot and had two little old houses on it, I was assessed a low tax. But when I built a fine apartment house on my lot, my taxes went way up."

"It looks as if the government does not want me to supply the community with more excellent housing, because when we build good buildings, they raise our taxes."

Mrs. Wendell, who owns and manages four units on Harvard Street, said she belongs to a statewide organization of the followers of Henry George, which is called LEAF (Land Equality And Freedom). It is headquartered in San Diego.

She first got interested about five years ago when the group held one of its Henry George School classes at the YMCA in Santa Monica. She attended, she liked it, she joined. (cont'd on Page 3)

Will Thorne is a Staff Writer with the Santa Monica Outlook.

Winning and losing in the New York assessment lottery

Ocean County is a real estate tax haven when compared to suburban areas in New Jersey, New York and Connecticut, a study shows.

The Center for Local Tax Research, New York, which made the study, said its figures show that Ocean County landowners paid proportionately less real estate taxes on residential and business properties and vacant land than in any area studied. The study was based on actual sales figures for properties and land.

The center also said its figures show that laws which require uniform assessments at 100 percent of true market value are not being observed.

"Throughout the region, anomalies of tax advantage and burden are apparent in neighboring and competing localities," the center said. "The statutory requirements throughout the region for uniform assessment are overwhelmingly contradicted by the evidence."

Asbury Park's effective rate on residential property was 5.00 which means homeowners in the city pay, on the average, five percent of the market values of their property to the city in taxes each year.

Lacey Township's residential rate, the lowest in the area, was 1.19, indicating Lacey homeowners pay 1.19 percent of the market value of their homes to the township each year in real estate taxes.

The highest rating for vacant land was in Manalapan Township, where landowners in 1977 paid 5.34 percent of the market value of their land in property taxes.

Lacey again was the lowest in vacant land assessments with a miniscule .87 percent.

(Asbury Park Press)

While you may be able to get more house or more property for your money in nearby New Jersey and upstate New York than on Staten Island, the chances

are that you'll pay more in property taxes, a private research study has found.

The report, compiled by the Center for Local Tax Research, a not-for-profit group, found that the average property tax rate paid by Staten Island homeowners is actually lower than that paid by homeowners in all but one of the metropolitan area's surrounding 27 counties of New Jersey and New York State. . . .

The Island's average property tax rate on vacant land was significantly lower than anywhere in the New York - New Jersey metropolitan area, according to the study.

Philip Finkelstein, director of the Center for Local Tax Research, said the chief reason for the Islands's relatively low property tax rate is that "assessments on homes in New York are at the smallest percentage of their real value. That is the way that New York City has been assessing property for as long as anyone can remember.

"The reason that New York City has been able to do this," Finkelstein continued, "is because of the wealth of high-priced commercial property in Manhattan, which has always borne the brunt of the property tax rate. In smaller communities, where you don't have this high commercial tax base, the residential homeowner must bear a higher burden of the property tax rates."

(Staten Island Sunday Advance)

Taxes as a percentage of property values in Nassau and Suffolk are so much higher than the rest of the region and the nation as to "cause concern, if not alarm," according to a study this month by the Center for Local Tax Research in New York.

In releasing the center's annual compilation of "effective tax rates" for the New York-New Jersey-Connecticut areas, the director of the nonprofit research center, Philip Finkelstein, warned yesterday that unless something

The Center for Local Tax Research is headquartered with the Henry George School at 50 East 69th Street. Director Phil Finkelstein knows how to get publicity as this selection from New York suburban newspapers indicates.

is done soon a revolt similar to California's tax cutting Proposition 13 may be in the offing.

(Newsday)

While effective tax rates in the New York City area are among the highest nationally, the Center study concludes that "some welcome relief was achieved last year."

"A combination of higher values, stable or lower nominal rates and some assessment improvement seems to have checked the growth of property tax rates and burdens in the region generally."

"The positive picture overall should blind neither taxpayer nor politician to the grimmer specific realities," the report added. "Where effective rates are higher, such as for commercial and industrial property in New York City and the urban counties of north Jersey, and in the New York counties of Nassau, Westchester and Rockland, taxes are so out of line with the region and the nation as to cause concern, if not alarm."

"Suburban homeowners and urban businessmen are not likely revolutionaries. Yet, it is they who may take up the cudgels for drastic tax limitation. Providing relief where it is needed for those who need it most, should, therefore, be the goal of tax policy at this time," the report concluded.

(Daily Bond Buyer)

Meantime

The Tax Foundation Inc. of Washington revealed that the Nassau-Suffolk Standard Metropolitan Statistical Area had the highest per capita property tax in the nation: \$609. That's nearly double the national average and \$116 higher than anywhere else.

Of nine New York State suburban counties sampled, Nassau had the highest effective tax rates in the commercial and vacant land categories; second-highest in the residential.

The target is happiness!

Aristotle, the noted Macedonian philosopher, said "...happiness, above all else, we choose always for itself and never for the sake of something else." In other words, in the last analysis, all of us seek to be happy.

Yet, what makes one person happy, may make another miserable. Our differing ideas as to what will give us the greatest pleasure means each of us must have the maximum possible degree of freedom to pursue our individual goals.

But the necessity for freedom rests on other equally important criteria. Each individual possesses unique talents. Just as no two individuals' fingerprints are the same, neither is the complex of abilities of any two people the same. To develop one's capacities, one must have the freedom to perfect them. He who has a broken leg, or is in jail, has his freedom of action so restricted that he cannot hope to be as happy as if he were not confronted with such impediments.

While it can never be proved, it appears that you tend to be happiest when you use those talents which you consider to be your best. If your artistic abilities are such as to make your heart bound with delight at the thought of an artistic career — but poverty forces you to become a bookkeeper — your life may be contented, but it is not likely to be filled with happiness.

To Georgists, it may seem that an abstraction, such as happiness, while interesting, is not particularly germane to the problems of society — especially the problem of involuntary poverty. But, after all, is not the eradication of such poverty merely a means to attain that end of all ends — happiness?

And is not the essence of Georgist philosophy the implementation of freedom so the individual can be happy?

And to be truly free, one must have not only those freedoms which all of us generally assume are basic — freedoms of speech, press and assembly — but economic freedom. Without liberty to make a decent living, history sadly proves that most people willingly give up their basic freedoms to some dictator who promises them the "crust of bread" they need.

While not generally perceived by most people, fundamental economic freedom implies that freedom of access to the land exists on equal terms for all. George proved that, in effect, this means the land must be divided on a just basis among the equal claimants to it. In a civilized society, this is accomplished by having the economic rent collected by the community.

Because the productivity of land varies, the rent from place to place is different. Those with the

by OSCAR JOHANNSEN

greatest abilities are able to pay the highest rent, so they will obtain the best land. Land represents opportunity, and superior opportunities require top notch talents for maximum performance. In employing their capacities to such exacting challenges, those gifted people capable of handling them will probably be happiest. But their efforts will also make others happy. When Beverly Sills sings, those unable even to hum a tune, cannot help but be thrilled.

And those graced with lesser abilities cannot afford the higher rents. This limits them to opportunities commensurate with their capacity. As they will be applying their energies in areas within their competence, they may well be as happy, or even happier, than those with superior ability, for they will not be frustrated trying to do what for them is impossible. A bush league player would suffer agonies of frustration in the big leagues.

So, although George's professed aim was the eradication of involuntary poverty, he builded better than probably he realized. He gave us a philosophy which, when implemented, would not only abolish destitution, but also provide the freedom necessary for each individual to develop those talents which would make him happiest.

What goal is greater than this?

ODDS 'N ENDS

You've noticed we didn't publish in December. The HGN is now published every month except December and August. We have lot's of space for you to fill, so let's have your news as soon as you make it. The HGN is our 'house' publication, where we can let our hair down and talk. Send us your clippings, letters, and articles so we can enjoy them too! Write : **The Editor Henry George News Box 655 Tujunga CA 91042. #**

The **Federal** Bureaucracy has swollen by only a third since 1950 (to almost 3 million). BUT, the number of people who are paid by the feds has gone up to somewhere between three and four million. Health, Education & Welfare, bless it's great big heart, is a good example. It struggles to spend it's billions on good deeds with only some 144,000 regulars. However, the 'irregulars' — paid through other organizations — total

980,000. So, when the muster roll is called for HEW, more than 1 million chiefs will rise.

Chiefs? Of course, for while Washington salaries are savagely tied to Carter's guidelines (?) the chiefs outnumber the Indians. There are now more GS -18s (salary \$47,500) than GS - 1s (salary \$6,561). **#**

Don't worry about what you do. Just think how it looks to others. An AP dispatch reported that the Kenyan government had 'placed heavy new restrictions on imports and clamped down on overseas travel'. Businessmen in Kenya 'were worried' because they thought the new policy would 'harm Kenya's image as a liberal trading country'. Now we know what Hitler's trouble was : his image was bad ! **#**

(cont'd from Page 1)

"We give little classes here and there," She said. "We are also worming our way into the public schools."

"We are not against capitalism; we want capitalism to work and justly. We are not socialists."

Mrs. Wendell said none of her group wants to see George's principle adopted suddenly and she admits that some of them are willing to see it toned down.

"It has to be gradual, so it doesn't upset the economy too much," she said.

And although George would have liked to see sales taxes, income taxes, incorporation taxes and you-name-it all abolished, his modern followers tend to dilute his teaching a little.

"Some of them quibble a little

bit about it," said Mrs. Wendell. "We don't all exactly agree."

Some will say, 'Well, maybe we need to have just a little income tax,' or like that. "And license tax, that's a sensible, just tax if it's limited to things connected to automobiles and trucks."

"We are not too absolutely strict, but mainly it should be a tax on the land, which is owned mostly by the richest people."

Mrs. Wendell, a onetime actress and grandmother of six who has lived in Santa Monica since 1962, said she uses a simple formula to decide how much extra tax she should pay.

Her land — not the buildings on it — has a actual value of \$38,620. And she hit on 5 percent of that, which is \$1,855.28, after you subtract the homeowner's relief program.

So she sent a check for that instead of the \$1,262.64 she'd been billed.

"I thought that was correct," she said.

Alvord agreed the arithmetic was correct, but didn't know whether he'd like taxpayers making a habit of such overpayments.

And although he's one of those who's heard of Henry George, he wasn't sure he wanted to see the George principle adopted, either.

"When I was treasurer in Sacramento County, there was a tax assessor elected who was a follower of Henry George," he said. "When taxes were assessed that way, it threw things all in a whack and she lasted only one term. There was even a recall petition."

"But it was interesting while it went on."

POSTSCRIPT "His name was Henry George, and along about 1880, following the publication of his monumental work **Progress and Poverty**, he was, next to President Rutherford B. Hayes, the most famous man in America. . . .

His panacea was a "single tax". He advocated the abolition of all taxes save one — a tax on the value of land. There would be no tax on the buildings that stood on that land, nor on the food grown on it, nor on the goods produced in factories that occupied it. His conviction that a single tax on land value could end speculation (thereby opening land for development and providing jobs for the unemployed) took such a hold on the American psyche that by the time George died in 1897, a whopping 2 million copies of his book had been sold and his influence was being felt around the

world.

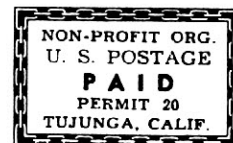
Although "charismatic economist" may seem a contradiction of terms, at the height of his popularity George was exactly that. An almost Messianic figure, he was followed everywhere by crowds of true believers.

Unlike other movements and ideas that have tended to die with their leaders, however, George's single-tax theory is alive and well, and quite possibly picking up relevancy and momentum with each passing day. The philosophy is still being taught to new generations of the curious under the auspices of the Henry George School of Social Science, a New York based institution that has eight branches in the - U.S. and Canada.

(Lewis Beale : Philadelphia Inquirer)

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