

The Henry George News

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February 1980

Four Pennsylvania Cities Raise Land Taxes

Cities across Pennsylvania, two of them for the first time in history, have adopted substantially higher land taxes. The new levies, enacted in last year's sessions of the legislatures, are slated to go into effect this year.

In the largest single advance since the adoption of a graded tax, City Councils in Allentown, Harrisburg, McKeesport, Pittsburgh, and Scranton all imposed higher land rates while keeping improvements constant. Allentown later reversed itself under landlord pressure.

Pittsburgh raised its land tax from 97.5 to 125.5 mills, a ratio of more than 5:1, with improvements held constant at 24.5. Scranton raised its rate to 96 mills on land, almost doubling the 2:1 ratio that had been in effect since 1925. In Allentown, the city council voted 38 mills on land to 22.5 on buildings, before succumbing to pressure from major landholders there.

McKeesport, entering the ranks of graded tax cities for the first time in history, went all the way to a rate of 90 mills on the land, and 20 on improvements, from its previous overall rate of 24. The 4.5:1 land tax ratio is the second highest in the state, exceeded only by Pittsburgh's new rate.

In the state capitol of Harrisburg, the land tax was raised from 20 mills to 55, with improvements kept constant at 16. The more than 3:1 ratio is likely to be observed closely by state legislators and other Pennsylvania officials for its effect on urban development as well as municipal revenues.

"In moving Scranton to a higher ratio, much credit must go to the report on the Pittsburgh tax, which was prepared by the Center for Local Tax Research," according to John M. Kelly of Scranton, a member of the Board of Trustees of the Schalkenbach Foundation, and a leader in the fight for property tax reform. Extensive quotes from the report appeared in the Scranton Press, and were reported in the Scranton City Council. The report was also extensively cited in testimony before the Pittsburgh City Council by Councilman William Coyne, and Dan Sullivan, who gathered the data, under the direction of the Center.

A powerful new voice in favor of the increase in the land tax was raised by Nobel Laureate Herbert Simon, a professor of Economics at Carnegie-Mellon

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Former School President Arnold Weinstein Dead at 68

Arnold A. Weinstein, former president of the Henry George School in New York, died on December 17, 1979, at Lenox Hill Hospital in New York after a long illness. He was 68.

A life-long resident of New York City, Mr. Weinstein graduated from New York University School of Law in 1933 and was admitted to the Bar a year later. He served in the National Industrial Recovery Administration's legal department (NRA, the first of the New Deal alphabet agencies) in 1935 and 36. It

was here that he learned at first hand what the machinations of governmental bureaucracy can mean to individual liberty - a lesson he was to remember throughout his life.

He returned to private law practice in New York and took two courses at the School in 1937. Three years later, he was named legal counsel for the School and was elected to the Board of Trustees in 1956. He held these two posts until his death.

In 1968, he accepted the presidency of the School, and guided the institution until 1973 through a period of considerable stress and change in the education field and the social environment.

Funeral services for Mr. Weinstein were held December 19 at Frank L. Campbell Funeral Home in New York, where Lancaster M. Greene and Rabbi Sobel, of Temple Emmanuel, delivered eulogies. Mr. Weinstein is survived by his wife Connie, his two children, Dr. Steven Weinstein and Susan Schuyler, his sister, Blanche Waldman, and two grandchildren.



Arnold A. Weinstein

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1980 and BEYOND

The new year and the new decade bring a strong ray of hope for the future of the Henry George concept. While the national and world pictures remain almost unrelievedly grim, something good must be said for what is happening at the local level.

Since its inception, the Pennsylvania graded tax has not sparked a major reform movement. While Pittsburgh and Scranton adopted the optional system, other cities stayed with their conventional revenue measures. But within the last year, new interest in the Georgist reform has erupted across the state.

Much of the credit must go to long-time Pennsylvania Georgists like Steve Cord, Jack Kelly, and John Weaver, who never gave up the good fight. Timely and pertinent research by Dan Sullivan, under the direction of our own Center for Local Tax Research, also helped convince the uninitiated.

Above all, we need to encourage the support of courageous councilmen, like Bill Coyne, of Pittsburgh, and Ben Howell, of Allentown. Perhaps someday, Pennsylvania mayors, who are still strangely more eager to tax the wages of their citizens than the land of their cities, will finally get the message.

What should be clear is that any advance in the application of our ideas is based on our ability to persuade others, rather than merely communicating among ourselves. Henry George himself was as much the political fighter and social reformer as he was the economic philosopher. We like to think he would approve of the growing, if still small, application of his remedy, and encourage more use of his ideas, even by those whose understanding of them is still incomplete.

Director Appears Before Senate Group

(The following is an excerpt from testimony given by Philip Finkelstein before the Real Property Taxation Committee, of the New York State Senate, on November 29, and 30, 1979, in New York City).

The real property tax in the state has been documented as the most burdensome, inequitable, inefficient, and economically unjust in the nation. Most of these ills have been traced to assessment practices that have been declared by our highest court to be illegal. An equitable, efficient, economically rational, and less onerous property tax burden—these are or should be the goals of legislation.

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George In The News

The following two editorials appeared in the November 29, 1979 and December 14, 1979 issues of the *Scranton Times*, are being reprinted with permission of the publisher:

PITTSBURGH PLAN WORKING, STUDY SHOWS

The Pittsburgh experience, with its change in the ratio of the city's tax on land and on improvements has been encouraging, according to a study of results in the first nine months that the plan has been in effect.

To avoid a major increase in the wage tax in Pittsburgh, its City Council decided to alter the ratio of its graded tax on land and on improvements. Like Scranton, Pittsburgh had since 1924, been taxing land at twice the rate of improvements. Effective this year, the land tax rate nearly doubled, causing opponents to claim that the higher tax on land would interfere with development, increase the number of abandoned buildings and cause high rates of turnover and instability in residential neighborhoods.

That has not been the case, according to a study by the Center for Local Tax Research, which is affiliated with the Henry George School, in New York City.

"The evidence indicates that the tax change was accompanied by positive trends in Pittsburgh's community development, when compared to previous years and to surrounding areas," the center reported.

An increase in the number of building permits, and a decline in the number of permits issued for the razing of structures, was interpreted by the center as the indication of "a trend toward more small home improvements, rather than large commercial undertakings. This evidence runs contrary to the fear that the high land tax would result in homeowner neglect and neighborhood deterioration."

The center notes that it is too early in Pittsburgh's experience with the increased land tax to reach final conclusions. Yet, the positive changes in Pittsburgh's development in the first nine months of the year suggest that the "beneficial effects (will be) magnified" as more property owners become aware of the tax advantages on highly improved properties.

PITTSBURGH PLAN DESERVES CONSIDERATION

Members of the Scranton City Council would be missing a marvelous opportunity to take advantage of the unique benefits of a graded tax on real estate if they pay no heed to suggestions the so-called Pittsburgh Plan be followed.

At budget-making time last year in Pittsburgh, the council of that city was faced with the same situation Scranton lawmakers are confronting. The mayor

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Pennsylvania

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University, in Pittsburgh. In testimony before the Pittsburgh City Council, Simon said: "The average increase in tax bills of city residents will be about twice as great with a wage tax increase as with a land tax increase."

Simon also noted that the land tax is economically sound "because it is the use of property that creates the need for the most expensive municipal services: fire and police protection, garbage collection, and public works."

The tide of reform in favor of land value taxation has led to new interest on the part of other cities, including Philadelphia, and other property tax jurisdictions including counties and school districts. Current Pennsylvania law permits the graded tax only for municipal purposes in cities of the second class. Legislation has been introduced in Harrisburg to permit the "Pittsburgh Plan" in all jurisdictions that levy the property tax, including school districts, the largest component of the property tax.

Center for Local Tax Research

BUILDING PERMITS, RAZED STRUCTURES AND PROPERTY SALES CITY OF PITTSBURGH, 1978 AND 1979

	1978	1979	Percent Change
1. Building Permits- Jan. thru Sept.			
New Buildings	201	158	-21.4
Extensions and Additions	185	221	19.5
Alterations	2,282	3,136	37.4
TOTAL	2,668	3,515	31.7
2. Razed Structures- Jan. thru Aug.			
Razed by Owner	146	78	-46.6
Razed under Condemnation	266	216	-18.8
Razed by Owner After Condemnation Proceedings	37	51	37.8
TOTAL	449	345	-23.2
3. Property Sales- Jan. thru Aug.			
Total Residential	4,077	3,816	- 6.4
Owner Single Unit	2,786	2,656	- 4.7
Owner Multiple Units	77	62	-19.5
Rented Single Unit	1,040	941	- 9.5
Rented less Than 5 Units	69	95	37.7
Rented Greater than 4 Units	105	62	-31.0
Commercial and Industrial	290	304	4.8
Vacant Lot	412	480	16.5
TOTAL (including unknown)	4,781	4,601	- 3.8

Source:

1. *Monthly Reports*, Bureau of Building Inspection, Dept. of Public Safety, City of Pittsburgh.
2. *Demolition Reports*, Ibid.
3. *City Information Systems*, City of Pittsburgh.

SCHOOL NOTES

SANTO DOMINGO

Lucy De Silfa, Director of the Henry George School in Santo Domingo, the Dominican Republic, reports on the resumption of programs and activities following the interruption due to the damage caused by Hurricane David, and its aftermath.

"Everything was ready for us to have a very active and productive year ahead, but the demolishing fury of the hurricane destroyed all our good work. The worst damage was not done by the actual hurricane, to our building, but by the vandalism and burglary that seems to go hand-in-hand with natural disasters.

However, we have made some progress. We held three classes in October, which were well-attended, and old and new students attended an end-of-term party, which was a pleasant success. Our prospective for 1980 is encouraging, as a nice group of young professionals have enrolled to help us rebuild the school and beef up our programs.

We have been working closely with the Instituto Agrario Dominicano in developing a land registration system that will be the base for land value taxation. This program is still in the planning stages, but we hope our input will encourage the government to seriously consider implementation. A recent conference held at the school on this issue was attended by high-ranking officials of the Armed Forces, the National Congress, political emissaries from various parties, as well as interested students both from our school and the university. The speaker, El Ingeniero Agronomo Santiago Moquete, head of the Department of Studies and Investigation of the Instituto, spoke very strongly about the importance of land taxation.

It has been rough, but little by little, we are able to continue working for change, and spreading the good word of Henry George."

TORONTO

Following extensive study of property tax reform, and after careful scrutiny of the current land taxation methods and assessment practices in the City of Toronto, the School for Economic Science has made the following recommendations to the Toronto City Council:

1. The City of Toronto should immediately adopt a policy of assessing and taxing vacant land at 100% market value; a policy that need not await a solution to the entire reform package.
2. The City of Toronto should recommend that the Provincial Government assessment records be made more accessible and distinguish separate land and building values for each property, as done prior to 1970.
3. The City of Toronto should provide for legislation enabling current and future councils

the option of untaxing improvement values and untaxing land values.

Laire Teich, the school's director feels that "in all likelihood, current public awareness, extensive market value research, and the political process will result in the implementation of a modified market value assessment, with due credit to the benefits of site-value taxation where practically and politically feasible."

CALIFORNIA REPORT

Four classes are being run during the Winter, 1980 semester in Sacramento, Pasadena, and the San Fernando Valley, according to Harry Pollard, Director of the Los Angeles area Henry George School. The class in Sacramento will be offered in cooperation with the Adult Department of American River College. The classes in Pasadena will be offered through the Pasadena City College Adult Extension.

These classes, which are fee-paying, are run using the "Creativity and Control" section of Pollard's innovative High School InterStudent program. The program stresses discussion, questioning of the concepts, role-playing, and small-group dynamics, which adults seem to enjoy. "Extensive rewriting of the program was necessary to cut the individual session content," Pollard says.

Three classes were run during the Fall semester, using the revised program. The Los Angeles area class was held at the Beverly Hills Adult School, under the direction of Morgan Harris. The Sacramento classes were run by Patricia Scanlan, Richard Campbell, and Bob Goodier. Newspaper ads, neighborhood invitation cards, Adult School mail advertising, and distribution of brochures to nearby public libraries gathered enthusiastic response from the public.

Preliminary findings seem to indicate that cooperation with the existing adult education structure offers greatest opportunity.

In San Francisco, a Special Seminar is being offered on January 20, 1980, at the Fort Mason Center, to introduce prospective students to Henry George and *Progress and Poverty*. Five classes have been scheduled for the Winter, 1980 semester; two will be in San Francisco, one in Marin, and two in East Bay. The classes run about eight weeks, and there is no tuition charge.

Harry Pollard, Director of the Henry George School in Tujunga, California, and founder of the successful InterStudent Program, was involved in a five-school demonstration for the San Juan School District in Sacramento, from January 7th to January 21st.

CHICAGO

The Progress and Poverty Centennial Committee in Chicago, in collaboration with the Henry George School of Social Science in Chicago and the Better Cities Committee of Illinois celebrated the 100th Anniversary of the first printing of *Progress and Poverty* in the Preston Bradley Hall of the Chicago Public Library Cultural Center on October 10, 1979.

Mrs. Preston Bradley spoke on the relationship between religion and the social problems brought to the public's attention by Henry George. Weld Carter, the Executive Secretary of Taxation, Resources and Economic Development (TRED) spoke of the growing acceptance of the principles of land value taxation in academic and governmental circles.

The Centennial Edition of *Progress and Poverty* was presented to Mr. Donald J. Sager, Library Commissioner, by William Ranky, Program Chairman. The Commissioner expressed his thanks to the Henry George School of Chicago for its earlier donation of thirty-five copies each of *Progress and Poverty* and *Social Problems*, which were distributed among the main Branch libraries.

NEW YORK CITY

Over one hundred students attended four classes offered during the Fall Semester at the Henry George School in New York City.

The courses offered were: an introductory course on *Progress and Poverty* taught by Dr. Harry Fornari, a course on Money and Banking, taught by Oscar Johannsen, a history-related course on American Dissenters, including Henry George, taught by Dr. Bernard Bellush, and a course on Taxes and Politics, taught by Philip Finkelstein, which was also available to Hunter College students as an elective.

This year, ads were placed in the *New York Times*, the *Daily News*, and the *New York Post* to attract new students. Brochures containing a convenient pocket for registering by mail were sent to those already on the mailing list, and were handed out to interested passers-by as well. One facilities fee allowed students to choose one or two courses, and many students took advantage of this opportunity.

NEW MEMBER, TRUSTEE ELECTED

Jerome S. Medowar, prominent Long Island attorney and trustee of the Henry George School in New York City for the past three years, has been elected a member of the school corporation.

At its January meeting, the trustees also voted Stanley Sinclair, journalist, to rejoin the board as a trustee. The board is composed of fifteen trustees, nine of whom are members, elected for life. Trustees serve one-year terms, following election at the annual member's meeting, which is held in February.

ADDITIONAL UNITS APPROVED

New units of the Henry George School are scheduled to open in Chicago and Pittsburgh, following approval of initial grants by the Board of Trustees in New York City.

The Chicago unit is to be headed by Salvatore (Sam) Venturella, a long-time Georgist, and member of the City Planning Department of Chicago. The Pittsburgh unit will be under the direction of Dan Sullivan, who has been active in his area in the last several years, serving recently as principal investigator for the report on the effect of Pittsburgh's land value tax.

The trustees also voted emergency funds for the refurbishing of the school in Santo Domingo, which was badly damaged in the aftermath of Hurricane David, which struck the Dominican Republic last fall.

Plan

(from page 3)

proposed raising the personal income tax. It was estimated the average worker would have to pay an additional \$188 a year in wage taxes. The Pittsburgh council decided instead to increase the land value tax, leaving the tax on realty improvements at the same level. The net result was an average increase of \$62, or two-thirds less than a wage tax boost.

John M. Kelly, a real estate tax expert, researched the application of such a plan to Scranton last March. His finding that altering Scranton's ratio of taxes on land to taxes on improvements of 2:1 could be carried out under the city's Home Rule Charter was reported to the Scranton City Council.

Both Mr. Kelly, a student of the Henry George theory of land value taxation, and the City Business Administrator of Scranton, James Beehan, have noted the chief advantage of having a higher tax on land than on improvements: It encourages owners of unimproved land to seek developers, a step which would add to the tax base of the city.

The city can use the advantage of the graded tax by increasing the land value tax rather than the personal income tax to ease the pain of whatever tax increase proves absolutely necessary.

CORRECTION

In the last issue of the Henry George News, the address for the new location of the Henry George School was erroneously reported as being 5 E. 55th Street. The school will be located at 5 E. 44th Street. Please continue to address all correspondence to our present address, which is 50 E. 69th Street, New York, N.Y. 10021, until further notice.

Profile: John Daniels

This is the first in a series of features, introducing personalities active in the Henry George Schools. This profile was written by Louise Pulini from an interview taped by Richard Biddle at the School in Philadelphia.

John (Jack) Daniels, Deputy Commissioner of the Dept. of Streets, part of the Public Works Program in Camden, New Jersey, took a course in *Progress and Poverty* three years ago, and is now one of the most active members of the school in Philadelphia, also the birthplace of Henry George.

Daniels was born in 1939, on May 29th, "the same day as John Kennedy and John Wayne." He lived in Akron, Ohio until he was two, and then moved to Camden, to live with his aunt and uncle, when he was orphaned. His uncle, now in his 80's, is halfway through *Progress and Poverty*, and Daniels says he is enjoying it, as it explains why the present system is so corrupt. Fifteen years in the Air Force took Daniels to many places, but his most provocative assignment was at Andrews Air Force Base, where he was part of the team that transported the President, members of the Cabinet, and other government officials, during the Kennedy and Johnson administrations.

Daniels soon learned that "five per cent of the people in this country control ninety-five per cent of the wealth," and was dismayed by the "laziness and greed" he saw in Washington and elsewhere. He saw too many "robots" and not enough "thinking people." He decided to strengthen his own study skills, by answering an ad in a Philadelphia newspaper, and thus began his association with the Henry George School. He reflects that his class had only four people in it, but now he is pleased to see classes of twenty or more, and reports that the school is "bursting at the seams," as more people are discovering the relevance and currency of Henry George.

"Had Henry George lived through his second mayoralty campaign, and had he been elected Mayor of New York City, would (New York City) be in the shape it is in today?", Daniels asks. He worries that "there is no practical application of George's single-tax ideas." Although he applauds the efforts of those in Arden, Delaware, and Fairhope, Alabama, he feels that these people are too isolated from other surrounding communities.

He cautions against "losing the advantage of good ideas," if the lines of communication between Georgist organizations are not kept open. Participation in school activities, such as films and lectures is encouraged, so that "new voices can be heard." Daniels reported on his experiences at the Centennial Convention in San Francisco in August, 1979, when he spoke at a recent day-long program, held at the school, in Philadelphia. He was impressed by the large group of intelligent, informed people, who freely traded ideas, and presented their plans of action, both political, and educational.

Daniels feels that land value taxation methods that George advocated would only serve to benefit urban

areas like Camden, which is changing from a primarily industrial city, with isolated ghettos, to one where low-income housing is being integrated into commercial areas; an example being a development built in the shadow of the Campbell's Soup plant, only blocks away from Center City. A gentrification process, still in its infancy, is bringing new residents into the city. This rebuilding will require a greater need for municipal services, which calls for strengthening of the tax base. A land tax increase, rather than a wage tax increase, would be to the advantage of taxpayers, whose property taxes have not been raised in seven years.

When asked about some of the people he has met or been influenced by, Daniels singled out John Kennedy, whom he found "inquisitive, never afraid to ask questions; he always wanted to know what was going on around him." He described Lyndon Johnson as "competent." He also feels that George and Geneva Collins, of the school in Philadelphia, have been responsible for keeping his interest in the school alive, as they are both "charming and enthusiastic."

Daniels finds that people are interested in his reactions to Henry George in terms of racism, as George's mother was pro-slavery. Daniels remarks that George voiced his opposition to slavery as a young man, but never imposed his opinions upon his parents, by forcing them to see his point of view. Above all, Daniels is most impressed by the "poetic justice" of George's views, as well as interpreters of George; Wylie Young, foremost among them, whose book, *Antidote for Madness*, he calls, "Henry George simplified."

As for the future of the Georgist movement, Daniels would like to see the physical expansion of the George birthplace and school in Philadelphia, and exposure of more students, including his own daughter, to *Progress and Poverty*, and the vision of Henry George.

Director

(from page 2)

Protecting the homeowner is of paramount political purposes, but homeowners of different and even the same jurisdictions bear tax burdens with no relation to each other, to economic and political reality, property value, or ability to pay. A better way to protect the homeowner besides classification, would be an outright homestead exemption, depending on how generous the legislature wants to be with which class of homeowner taxpayer.

Assessing land at full-value is the key to both tax relief and tax reform for both city and state. It is the key to equity, with valuable central locations paying the most, and residential neighborhoods paying least; with slumlords penalized for milking bad buildings on good land, and investors rewarded by not taxing their new improvements.

TAX RATES DOWN IN REGION, UP IN CITY, 5-YEAR REPORT SHOWS

Property tax rates decreased in the last five years throughout the tri-state metropolitan region, except in New York City, according to the latest report of the Center of Local Tax Research.

"The disparity between the city and the rest of the region should be of concern to officials and taxpayers of the entire area," said Philip Finkelstein, Director of the Center.

For all categories of property, effective rates, that is, the amount of taxes paid as a percentage of the property value, are highest in New York State, and lowest in Connecticut.

The report notes that assessments on vacant land have risen throughout the region, although land assessments generally and especially in New York, are the lowest in property taxation. The report also includes, for the first time, a complete listing of nearby Connecticut jurisdictions, as well as details, by property type, for Greenwich and Stamford.

"Effective Real Property Tax Rates in the Metropolitan Area of New York" has been published annually since the establishment of the Center as a non-profit research agency in 1975. The five-year summary, containing 72 pages of tables and explanatory text is available for \$3.50, including postage, and may be obtained by writing to:

Center for Local Tax Research
50 E. 69th Street
New York City, N.Y. 10021

(The following is from the Preface of "Effective Real Property Tax Rates in the Metropolitan Area of New York," November, 1979. These paragraphs effectively summarize the findings of the Center regarding the effective tax rates for the tri-state region (New York, New Jersey, & Connecticut).

"Within the Tri-State area, Connecticut enjoys the lowest effective rates, followed by New Jersey and then New York. Combined with the broad-based income and other taxes in New York State, the relatively high property tax burden of New York should be a source of concern to both state and metropolitan officials.

As significant as the continuing disparities between the states may be, the widening gap between New York City and the rest of the metropolitan areas in the rates of income-producing property is an even greater threat to the region. Despite the lowering of its nominal rate, and a reported economic upturn in business activity, the city runs counter to the region in almost every respect, but especially in the high tax rates on commercial and industrial property, areas that produce jobs and income. Residential properties, on the other hand remain a relative bargain in the city, as compared to other city real estate and to

other residential properties in suburban New York and New Jersey.

Policies that could better balance the city's position in relation to the region would appear to be clearly in order. Efforts to maintain or even widen the disparities of effective rates between homeowner and income-producing properties should be greeted with skepticism, if not dismay. The long overdue correction of New York assessment practice, in both city and state, could go a long way towards closing the gap between New York and the region. Attempts to maintain the current advantages of one class or one area over another may be at best misguided, and most likely, disastrous, for the metropolitan future.

One positive note for the region is the steady increase in the effective rate on vacant land in almost all jurisdictions in the Tri-State area. Despite the enormous increases in land value, it has evidently been possible to improve assessments in that class. This should help to dispel the commonly held belief that the land component of real property is either of little value or is not susceptible to proper valuation. On the contrary, better land assessment may well be the key to better assessment policy and practice generally. Both the inter-class and inter-jurisdictional disparities documented in this report and the intra-class inequities not reported here, but well-known throughout New York State, particularly New York City, could be substantially corrected by better land assessment. The real benefits in equity, efficiency, and economic development would have even greater significance for the future of the region."

NEW BOOK DISCUSSES PROMISING ECONOMIC REFORM

Catalyst! is the title of a new 130-page book describing a reform of the property tax which can revitalize our cities and counter inflation and recession.

"The reform would replace the property tax on buildings with a higher tax rate on land. By un-taxing buildings, we could encourage new construction and rehabilitation and by up-taxing land, we would encourage landowners to put their sites into full use," said Steven Cord, author and publisher of the book.

Catalyst! is unusual in appearance in that it consists of short articles replete with headlines, sub-heads and boxed insets. Here are some of the many themes explored in the book's ten chapters and 101 articles:

-how the land value tax would benefit homeowner-voters, politicians, downtown retailers, factory owners, and even farmers.

-how to accomplish a significant redistribution of wealth to poor people without penalizing the wealth producers one iota.

-extensive evidence conclusively proving that the tax on land values is more based on the ability-to-pay principle than is the income tax or any other tax.

-a brief recounting of the history of land value taxation plus a description of the leading organizations currently promoting the idea.

Catalyst! is available for \$5.00 per copy, and may be ordered by writing to:

Henry George Foundation of America
580 N. Sixth Street
Indiana, PA 15701

(The following is from page 37 of the *Catalyst!*, in which the author explains the workings of the current property tax).

"For the uninitiated, a few words must now be said about how the current property tax works. First, the tax assessor ascertains the market value of each piece of real estate property in his district; if he follows universally recognized good assessment practice, he will assess a separate value for land, and for buildings, since the value of one has really nothing to do with the other. They act independently of each as when two adjacent lots of the same locational value will have buildings on them of different value; even if

one lot were altogether vacant, its value would still be the same as its neighbor.

Second, the city council or school board then determines the tax rate to apply to the total assessed value of the district in order to raise the revenue it needs. For example, if the local government needs \$1 million in revenue, and the assessed valuation in the locality is \$20 million, then the tax rate is fixed at 5%. A \$100,000 property will then pay \$5,000 a year in property taxes. Assessment times rate equals times. Sometimes, the tax rate is expressed in mills, which is \$1 in tax for every \$1,000 in assessed value, so that 20 mills will then be equal to a 1% tax rate."

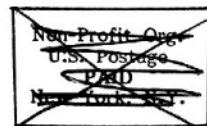
Economic Assoc. Celebrates P&P

A session was devoted to celebrating the Centennial of *Progress and Poverty* at the annual year-end conference of the American Economic Association, held in Atlanta, Georgia.

The session was initiated by Dr. Mason Gaffney, professor and chairman of the Department of Economics, University of California Graduate School of Business Administration, who also presided over the proceedings. Papers were presented by Dr. Aaron B. Fuller, of the Office of Defense Analysis, Dr. Gene Wunderlich, of the Department of Agriculture, and Dr. Arthur B. Laffer, Jr., professor of Business Economics at the University of California in Los Angeles.

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