

# HGI JOURNAL

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## A STIR OVER THE PROPERTY TAX

Not many months ago things looked bad for the property tax as the mainstay of public education in the U.S. It was challenged in the courts, it was attacked by legislators and school groups, it reached the federal level with a Presidential proposal for a value added tax as a substitute.

Since then, those in favor of the property tax have rallied and many strong voices have been raised on its behalf. The danger is by no means over, but things do look a little more hopeful than they did. With the admission of its current inequities, there is now greater interest in reforming the property tax rather than doing away with it.

The chief reform, as we see it, is to modify the property tax so as to be primarily a land value tax. Endorsement of this proposal has come from numerous influential sources. Fortune magazine had a leading editorial on it; Perry Prentice has written on it for House & Home; the Monthly Economic Letter of the National City Bank and its affiliates around the country has defended the property tax; Ralph Nader's group has testified on its behalf.

New York State Assemblyman Andrew Stein introduced a land value tax bill in the legislature,

(contd. on page 9)

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### EDITORIAL

In this issue, articles by William E. Walker and Peter R. Hudson urge more coordinated effort by Georgists. Interestingly, both independently propose a stepped-up letter-writing campaign and other HGI members have proposed it. This is indeed a means accessible to all.

One question is to agree on a project on which we may combine forces. How can we cooperate and still "do our own thing"?

A letter-writing project was proposed recently by the Institute to its members on behalf of the property tax. We all agree on seeing the property tax transformed from a tax on land and improvements to a tax on land alone. Beyond that there are differences.

Bob Clancy urged the preservation of the tax on the local level. Perry Prentice thinks a state-wide tax is the right thing. Bill Walker believes a federal approach is needed. Can we resolve such matters far enough so that we can work together?

Very often we do not even know what we are going to disagree about until the practical issues arise - so it would be difficult to settle these things in advance.

It is familiar enough for us to disagree about matters not directly related to our central interest - for instance, political candidates. But we also disagree on things much closer to home.

This deserves more discussion - and some consensus ought to be reached as to what we may accept as a common denominator on which we can agree to work together - and on what we may disagree about without becoming mortal enemies.

Strangely, this has never been worked out.

## AN ORGANIZED APPROACH

By WILLIAM E. WALKER

Should not our efforts be given direction, be organized and made intensive?

I recently wrote to Congressman Ashbrook to the effect that what was needed was a new recognition of 1, economic priorities; 2, the approach to housing; 3, a new tax approach, namely a federal land tax. I suggested that perhaps it might take two years of intensive work to computerize all the land values in the U.S.A. so that the tax on federal, state, county and local could be computed from a central assessment. With the problem of inequality that is facing the school decisions which shortly could cause a new basis for school taxes, it seems to me that it is now time for the Georgists to , scream loud and clear in an organized manner, to public officials, saying pretty much the same thing with sufficient concentration as to be effective. Then maybe the doctrine we believe in could get federal leadership which is the only one that I believe will count.

Students, middle-income persons, veterans, the poor and even the very wealthy all see various types of tax problems. The poor can't expect to get ahead because they feel the system is rigged against them; the manufacturer feels he is contributing the funds for the welfare state we are creating and feels the minimum wage law is further compounding the problem; the returning veteran is not sure our system will give a fair shake to those who fought for it; our teachers don't teach the right answers in most schools having been denied the truths of Henry George or at least having these truths ridiculed; the wealthy are equally uncertain of the future with new theories and actions being taken to increase inheritance taxes, etc.; and the aged speak out for more Social Security because the built-in inflation making devices that cause their fixed incomes to shrink. Mayors look to Uncle Sam

for everything big and some not so big. The States look to the Federal; the cities to the counties, state and federal, and the federal then looks back to the people for TAXES ill-conceived and grossly negative.

That is why I wonder today if our emphasis must not by necessity be national. The means of communication of radio and TV have made the message portion of preaching any doctrine a reality. The computer has made the federal land tax possible. Sure it would take staging - but the reality of 100% assessments, fewer assessment divisions and the positive influence to our economy of POSITIVE taxation instead of another negative tax being added to another negative tax would be profound - and I believe some political aspirant could be made to see the light IF some concentration was given to letter-writing and then if Georgists would then cross whatever political party line necessary to give support to such a candidate.

All candidates are floundering with the same old stuff. Only Henry George offers a new approach.

#### WANTED - MORE DEDICATED GEORGISTS

By PETER R. HUDSON

(The writer is a Georgist from England now living in the U.S.A.)

In the last issue of the HGI JOURNAL, Dr. James Busey made a plea for more publicity about the Georgist philosophy. But the fact remains that Georgists are relatively scarce and that those with communicative talents are even scarcer.

It seems to me that there is a need to advance on two fronts at the same time. We need to step up the level of communication with the non-Georgists on the widest possible front by exposing contemporary "nonsense policies" in the fields of property taxation, trade restrictions, support programs and social

theory. We also need to develop effective means of putting over the Georgist philosophy in the simplest and cheapest possible way. Only by doing this can we hope to increase our numbers and bring more talent to the task of promoting our ideas.

As far as the first type of "pitch" is concerned (attacking fallacies, etc., by letter-writing to newspapers, etc.) the field is so vast as to appear daunting and formidable to even the most energetic enthusiast. But if the individual Georgist feels that he may get some additional support from people outside his own area, his enthusiasm may be increased. We have tried this approach in England and have had some success, which no doubt could be repeated here. This is how it could work:

First, all those willing to take part in the letter-writing program should be asked to notify the "Central Control" of the subjects on which they feel most competent to write. Participants should then scan newspapers and magazines of their choice for articles and reports to write about. They should write at least one letter a week until they secure publication. They should provide Control with one copy of the article criticized and one copy of their letter. Control would then reproduce these items in sufficient numbers to all those taking part in the project.

The other participants would then write suitable follow-ups, preferably adding to the points made rather than repeating them. Each person writing should also inform the author of the original published letter that he has written. This lets him know to keep his eye out for the published support. If any of the letters are published, both the author and Control should be sent copies. In this way all the authors see their work in print and Control builds up a history of achievement for statistical analysis and for encouraging new members.

All this may sound rather elaborate and requires commitment of time and money. But the system does work and has the merit of fostering cooperative ac-

tion and stimulating a feeling of participation in a worthwhile cause. In addition, Control has an overall picture of what is being done and can make value judgments as to where special effort might be directed at any particular time. In some instances, effort might not be directed to the press but rather to Congressmen, councilmen, Governors, etc., in support of or opposition to legislative measures.

The second main front - putting over the Georgist philosophy in effective, concise and attractive form - requires time to devise formulae and run tests. This is a rather specialized job but one to which many people can no doubt contribute ideas. I would like to see a number of "packages" devised which could be used either like direct mail advertising or as hand-outs at meetings. Packages of this kind could also be advertised and sold. Different approaches might be necessary for different groups of people, e.g., students, labor groups, chambers of commerce, etc. They should be kept simple. They would not be a substitute for the full Georgist course in basic economics, but they could lead to recruitment.

Although there is so much to be done, there are ways of making a start. Time, money and enthusiasm will be needed and all are in short supply. We must try to make the best use of our limited resources to advance our ideals. What we need to do is to tap the vast wealth of past experience of Georgist enthusiasts, coordinate our efforts and streamline our administration. If by doing these things we can foster a stronger "esprit de corps" and bring in more recruits, the effort will be worthwhile. Our objective should be to get the greatest audience with the greatest economy of effort. Our Number One job is - getting the message across.

Before we can think of turning to today's mass media we need a strong financial basis which can only come from many new recruits. In short, we need more dedicated Georgists - and we shall have to work hard to find them!

## VI. MORE MONEY SHENANIGANS

By SIEBE SEVENSTER

(The writer is a leader of the Georgist movement in the Netherlands.)

Oscar Johannsen in HGI JOURNAL No. 2 draws attention to the manipulation of money. In our Dutch Georgist journal, Ons-Erfdeel, Sept.-Oct. 1971, I pointed to the fatal consequences of President Nixon's artifices.

It is frustrating that such items are presented as "hot news" while the real trouble - the private appropriation of the rent of land - does not come to the fore. Mr. Johannsen is on the right track but he does not go all the way. He claims inflation to be equivalent to the printing of ever more paper money. So it is suggested that this printing is the cause of inflation. In my opinion the creation of still more money is the result, and the ever-increasing price of land is the cause.

The covering of money by goods or services in an economically sound situation - wages for labor, interest for capital, and rent for the community - causes lower prices, due to greater production. But today, money paid for land is not covered by goods or services as land is a gift of nature.

Once in a while governments are conscious of the fact that paying money for land is not right. Our National Bank in the Netherlands is not permitted to give money or credit on land values. However, through other banks and private persons, the investment in land continues. The money that is so invested is not covered by goods and services and is the root of inflation.

In 1925, Mr. A. Sevenster pointed out in his pamphlet "Land and Money" that on the basis of an interest of 5%, only 1/20th of the price of land (this being the rent of land) represents a real value, while 19/20ths of it is a mere title. Here is the true cause of inflation.

## MONEY IS NOT A COMMODITY

By WILLIAM J. HARRINGTON

Oscar Johannsen is correct in his article on "Money Shenanigans" when he approves a slowing down or cessation of the printing of "paper money." The use of quotation marks indicates that he does not believe that paper can be money. Early in his article he refers to gold as money which, if true, would be true of paper. However, neither is ever money.

Money is not an economic entity, but is a clever man-made contrivance devised to acquire the wealth of others, and it is disguised as an article of trade.

It needs a real effort to understand money as a philosophic concept, as does the understanding of the relationship of material things to the mind, as in the philosophy of Immanuel Kant which states that at one point in the approach to the intellect, sensation comes first, then perception, then finally conception.

In our youth we were taught that wampum, courie shells, etc. were money. It was easy then to convince us that "gold is the very best money because it always retains its value," as reputable econo-philosophers claim. Mr. Johannsen considers gold as money because of its association with a system for the use of money as a standard. Most econo-philosophers would consider gold coins, rather than gold, as money, since as a standard monetary unit they are a measure of value. They are both part of the monetary system and merely modify money, a substantive.

Money is related to natural law as the natural prerogative of any individual. It is universal and abstract. It cannot be used in the absence of a system for its use. Hence, this country, in its own interest, should have reverted completely to barter in 1934, or established a new monetary system (when it destroyed the old one) - which did not occur.



## A NEW ANGLE ON THE DRUG PROBLEM

By MILTON NORWALK

The drug problem in the U.S., especially in New York and other big cities, has come to be looked on as an unalloyed evil.

But look at it in another light. Suppose there were no drugs like heroin and LSD to alleviate the miseries of poverty and the cruel senseless slaughter of war - then people, instead of turning their feelings of wrath and frustration against themselves in a fit of masochistic euphoria, would resort either to nihilism or dictatorship. We could end up either with fascism or communism or anarchism. The man on horseback would rule.

What can be the feelings of the drug addict who has kicked the habit? He goes out to look for a job; there is none. He looks for a clean place to live and finds a rat-infested hovel. What does he do now without dope to fall back on? God only knows!

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but it was too late in the stormy days before adjournment to get very far - but the step was taken!

Members of the Henry George Institute added their influence in a letter-writing campaign sponsored by the Institute. Letters were written to the press and to legislators. Many letters to the press were printed, among them by William O'Connor, W. E. Pereira, James L. Busey, Anthony J. Thomas, Bruno Eichert, Gaston Haxo, Benjamin F. Smith and others. Letters to legislators were sent and acknowledgments received by Edith Reichert, Emanuel Mandel, J. F. Enright and others.

Our voice could very well have helped in turning the tide. Never discount the influence of a word or deed. Do continue to speak out!

# THE RELIGIOUS BASIS OF THE GEORGIST PHILOSOPHY

By ROBERT CLANCY

The term "religious" is not quite adequate as it has too many connotations and connections with creeds, cults and churches. Yet it seems to be the most available term implying the deepest premises on which our philosophy is based - our "ultimate concerns", as Paul Tillich defined religion.

At a HGI meeting on April 26 a group of members sought to express what was the source of our drive, our most basic motivation as "Georgists." We want an economic reform - "to abolish all taxation save that upon land values" - but it is promoted with enthusiasm by its adherents because of something more - an ethical, a philosophical, a "religious" goal.

The group of members offered the following: The basis of the Georgist philosophy is what Jefferson called "the laws of Nature's God." George's orientation was spiritual; his conviction was strong that an Intelligence rules the universe and that we need only discover and obey the laws governing our well-being in order to thrive and progress. There is also a belief in the reasoning power of man to discover these laws; also a belief in the basic goodness of man - that he needs only freedom and justice in order for his higher capacities to unfold.

Basic justice requires that all men have equal access to the resources of nature and that they be guaranteed the freedom to enjoy the fruits of their labor. For social needs there is a fund provided by Nature - the rent of land - and this must be taken by society, leaving individuals untaxed on their production.

George did not systematically expound the religious side of his teaching, but it is there - indeed it recurs more strongly in his later writings - and scattered throughout his writings are indications of this foundation. Here are some quotes:

"Man has but set his feet on the first step of an infinite progress... Man is an animal; but he is an animal plus something else. He is the mythic earth-tree, whose roots are in the ground, but whose topmost branches may blossom in the heavens!"

"The law of human progress, what is it but the moral law?... Liberty means Justice, and Justice is the Natural Law."

-- Progress and Poverty

"That justice is the highest quality in the moral hierarchy I do not say; but that it is the first. That which is above justice must be based on justice, and include justice, and be reached through justice... Until the eternal justice is perceived, the eternal love must be hidden."

-- Social Problems

"Here is the conclusion of the whole matter: That we should do unto others as we would have them do to us - that we should respect the rights of others as scrupulously as we would have our own rights respected, is not a mere counsel of perfection to individuals, but it is the law to which we must conform social institutions and national policy if we should secure the blessings of abundance and peace."

-- Protection or Free Trade

"We hold that: The world is the creation of God. The men brought into it for the brief period of their earthly lives are the equal creatures of his bounty, the equal subjects of his provident care."

--- The Condition of Labor

"Why is it that some things always coexist with other things? and that some things always follow other things? The Mohammedan will answer: 'It is the will of God.' The man of our Western civilization will answer: 'It is a law of nature.' The phrase is different but the answer one."

-- The Science of Political Economy

## PROGRESS OF THE INSTITUTE

Voting for the Board of Directors and the Nominations Committee for the coming year (July 1, 1972 - June 30, 1973) is now in progress. Results will be announced at the annual dinner and meeting to be held Thursday, June 15 at the 7th Regiment Armory in New York.

Two meetings were held earlier this year at Freedom House. One was on February 24, celebrating the first anniversary of the Institute and the 99th birthday of Oscar H. Geiger; there was also a symposium on "Democracy vs. Socialism in Chile" with William A. Camargo, Bolivar Rodriguez and Eugen H. Michaels. On April 26, a discussion was led by Robert Clancy on "The Religious Basis of the Georgist Philosophy" (see page 10). There was also a comparison of the teachings of Teilhard de Chardin and Oscar H. Geiger presented by William A. Camargo (to be reported in a later issue).

Mabel L. Rees and Neva and Roma Bianco, after many years of Georgist proselytizing at the Community Church in New York, had a full-column article in The Community News published by the Church. Robert Clancy was guest speaker at a meeting of the Communitarians at this Church on May 21 (initiated by William O'Connor).

An interesting visitor to our Headquarters was Michael Silagi of Munich, W. Germany, a young man preparing for his PhD degree. He has chosen as his theme Henry George's influence in Europe, especially England, Germany and Hungary.

Phyllis Post, granddaughter of the famous Georgist Louis F. Post, has contributed to the Institute a collection of books and mementos from his library, a valued acquisition.

A successful term of Spanish classes at Xavier High School, and a full school year of the three basic courses in Jackson Heights, are now concluding.