

*Under recently enacted land-value legislation, here described, each of the 47 "third class" cities in Pennsylvania, a state almost as large as England, may relieve buildings, etc. partly or wholly from municipal taxation.*

## Victory in Pennsylvania

By PERCY R. WILLIAMS

Executive Secretary, Henry George Foundation of America

ANOTHER important victory has been won in the Legislature of Pennsylvania. The State Senate on September 17, 1959 by a unanimous vote of all Senators, Republican and Democratic, approved the McGinnis Bill, No. 535, an act amending the Third Class City Act, P.L. 932.

On October 2 the House of Representatives adopted this legislation by a vote of 138 to 45. The Bill was signed by Governor David L. Lawrence on November 19.

This is the second major step in the movement to advance land-value taxation in Pennsylvania. Local option in the taxation of land and improvements for the 47 cities of the third class had been won by an act of 1951 which was also sponsored by Senator Bernard B. McGinnis, of Pittsburgh, (a trustee of the Henry George Foundation). This legislation permitted a step-by-step approach but was inadequate for the purpose intended because of an existing limitation on the tax rate that could be imposed by Councils.

The new amendment was drafted by the Graded Tax League of Pennsylvania and introduced in the Senate on April 1, 1959. Senator McGinnis, as sponsor, made a strong speech in support of the bill on the floor of the Senate and will continue to exert his personal and official influence in favour of land-value taxation.

The new act will open the doors in all cities of the third class for a sweeping change in the levying of real estate taxes. It will give city officials much greater freedom in the use of land-value taxation. Whether they choose to approach the more scientific method gradually or otherwise, they can now go much farther and thus achieve greater results than would have been possible prior to this amendment.

While there is still a legal ceiling on real estate tax rates, the law as amended stipulates that "higher rates may be levied on land if the respective rates on land and buildings are so fixed as not to constitute a greater levy in the aggregate" than the real estate levy that is now authorised in the cities of the third class.

Thus a serious obstacle which was troubling the minds of some city officials who like the graded tax idea has been removed. Though there may be other incidental sources of local revenue, the new act will permit the complete shifting of municipal taxes from improvements to land value should any city through its council so decide. Or any step towards that end can be taken at any time without any fixed schedule having to be followed.

Now it is up to the people and their representatives in

the councils. But there is nothing automatic about this legislation. If this splendid opportunity is not to be wasted, Georgeists must provide aggressive leadership.

\*

NOTE. An ambitious programme of action has been launched by the Henry George Foundation of America. Its object is to create public sentiment by surveys, research and education. The immediate objective is to obtain an adequate demonstration in actual practice of the benefits of land-value taxation. The generous response to an appeal for funds has yielded enough for an effective start to be made but much more is needed to meet effectually the challenge that is presented. Cheques and pledges of financial support, and requests for further details should be addressed to Mr. Percy R. Williams, H.G.F. of America, 417 Grant Street, Pittsburgh 19, Pa.— Ed.L&L

### KITE FLYING IN CALIFORNIA

THE following paragraphs about the Governor of California are taken from Harlan Trott's "Intimate Message" feature in the *Christian Science Monitor*, December 8:—

"For several press conferences running, Governor Brown has brought up the question of the 'unearned increment' that will be siphoned off into private land beneficiaries' pockets unless some legal formula is enacted to collect some of this unearned increment to pay the cost of the public works which create it.

"By 'unearned increment', Mr. Brown is telling reporters, he means the rise in land values, for example, that would result for some distance around the perimeter of a new state university campus. The Governor implies that since such values are publicly created and are not the result of the landholders' labour or initiative, they ought to be collected to defray the cost of the new university.

"These high-level reflections at Sacramento have some appearance of trial balloons, as though Governor Brown may be testing the ideas which, he told the press, some 'thinking' people are calling to his attention.

"The immediate impact on newspaper thinking is not very noticeable. The kernels are slow to pop on California's editorial skillet. Perhaps it takes time for this old-fashioned liberalism to sink in. Perhaps the focus is not easy to get. Outside fragmentary reports by the wire services, about all the Governor has to show for his efforts is a syndicated scolding by one columnist who calls these ideas rank 'socialism'."

LAND & LIBERTY