

George saw the root of trouble in land speculation. Speculators aren't interested in production. Each buys more than he can use, hoping for re-sale. Hence much land goes out of use, in and near cities. "In consequence, the margin of the city is pushed much further from the center."

He saw progress in invention merely leading to increases in rent. The workers stay poor. Carlyle had called poverty the hell of which the modern Englishman is most afraid. George added, "For poverty is not merely deprivation; it means shame and degradation; the searing of the most sensitive parts of our moral and mental nature as with hot irons; the denial of the strongest impulses and the sweetest affections." "Many a man does a mean thing, a dishonest thing, a greedy and grasping and unjust thing, in the effort to place above want, or fear of want, mother or wife and children." ("Progress and Poverty," p. 411)

"It is not necessary to confiscate land; it is only necessary to confiscate rent." This would produce, he felt, more than enough revenue to run the government (the U.S. budget then was under \$1 billion).

New Zealand had the first tax on land value, put through by John Ballance in 1878, repealed 1879, but restored, 1896. 80% of N.Z. municipalities now use it. When I lived there (1955) I noticed no slums nor crime. N.Z. has far less unemployment than any other country: .3 of 1% in 1975. (Tertius Chandler)

From 1890 land value taxation has gradually spread over most of Australia....During 1921-33 new dwellings per 100 marriages in land value tax areas were 74 as compared with 59 in the provinces without it. The land value tax areas had 18% increase in industrial building, contrasted with 5% in the other areas. Slums were reclaimed.

(Leon Silverman in "Yale Law Journal," Dec. 1947)

In 70% of Australia and 80% of New Zealand the residents have adopted land value taxation by referendum. Assessors there are appointed, not elected, and have to take university training and an apprenticeship before being given responsibility. They greatly prefer to value land exclusively, saying it is far simpler, easier, and cheaper.

(Wm. Truehart testifying in Sacramento, Feb. 23, 1977)

A Pennsylvania law of 1913 required 2nd-class cities to assess a lower tax-rate on buildings than on land, by gradual steps to become only half as much in 1925. The city mainly affected was Pittsburgh. There building starts became 25% more per capita than in New York, 52% over St. Louis, 66% over Philadelphia and Cleveland, 238% over Baltimore. Sales of idle land went up, and occurred at lower prices. In a typical ward, of 4,252 assessments, 3,250 became less, with savings ranging from 5 to 30%. Of the other 1,002, some 980 were vacant lots, and 22 were run-down houses. (Leon Silverman in "Yale Law Journal," Dec. 1947)

In Harrisburg 73% of homes in a sample district pay less than they would without the land value tax. In Lancaster, Pa., 93% pay less. In Erie a very extensive sample showed 80% pay less.

(Steven Cord, "Incentive Taxation," 1977)

The shift to a land value tax would actually lower the tax on the better farms, as Steven Cord has shown. Perhaps significantly, the farms in North Dakota and Alberta offer the only North American examples of a complete shift to land value taxation. Farm buildings and farm equipment are not taxed at all there; the entire weight of each farmer's property tax falls on the value of his land alone. This would have been politically impossible if the farmers had opposed it.

(Perry Prentice in "American Journal of Economics & Sociology," Oct. 1976)

A property tax of 3% sounds low - till you realize profit on property ranges around 9%. A store with a few bad years can be taxed right out of business - or into moving elsewhere where the tax is lower. Moreover, new buildings are taxed higher than old - even though they need less city services from police, fire department, etc. Cities that urgently need to replace obsolete buildings paradoxically raise the money by a tax that penalizes owners of new buildings. Every increase in the tax on buildings reduces the desirability of putting capital funds into new buildings and discourages maintenance.

By taxing land value the government would be merely regaining the value it has largely created by its streets, schools, and other facilities. In Australia and New Zealand it is already doing so.

(C. Lowell Harriss in "Encyclopaedia Britannica," 1974)

A \$50,000 study of New York City showed shifting the whole property tax over to a land tax would reduce the average homeowner's bill 2%. It would incidentally wipe out political favoritism in assessment. In Milwaukee the shift to land value tax would cause a slight increase in the average homeowner's bill - but the improved use of wasted land would make it well worthwhile.

(P. Prentice in "American Journal of Economics & Sociology," Oct. 1976)

By a program of tax exemption Muñoz completely changed the life of Puerto Rico. From a backward agricultural economy, cursed with dire poverty, he developed a modern, progressive economy and recently celebrated the establishment of the 400th industrial plant. This change has raised the average annual family income from \$660 to \$2360, and this has been accomplished very largely by tax reform. Recently the program shows signs of failing, for tax exemption, granted only temporarily as bait, is now running out in many cases and industry is closing up or moving away. This only strengthens our case: when there was full exemption, there was prosperity, but as industry is taxed, it dies or moves away.

New York City is in a precarious position with little relief in sight. A 3-fold increase in the land tax should be substituted for the present property tax. One immediate effect would be to halt the demolition of good and serviceable buildings to reduce the tax bill; others would be to spur construction and to encourage the modernizing of old buildings. Slums and fire-traps would give way to new housing. There would be substantial economies for the city, for decent housing means savings in relief and in the police, fire, and health departments. A few speculators may lose, but should our policy be framed for their protection?

Federal housing is unnecessary, as has been proven in Denmark. There between 1932 and 1937 taxes on land were increased 50% while taxes on improvements (buildings) were cut 40% with full exemption of houses up to \$2,500. The results speak for themselves: the average number of dwellings built annually increased by 74% in 8 years, and "the problem of how to make room for those without shelter simply ceased to exist." Slums were eliminated in Copenhagen.

(Gilbert Tucker, "The Self-Supporting City," 1958)

The U.S. federal government can help by requiring localities to have a land value tax, and no buildings or sales tax, if they are to receive grants in aid. It could help too by allowing 20% federal income tax credit on payments of land value tax.

(ideas from C. Lowell Harriss in "The Assessment of Land Value," 1972)

compiled by Tertius Chandler
2500 Buena Vista, Berkeley 94708
tel: 849-1850

2500 Buena Vista
Berkeley 94708
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Dear Mr. Carter,

Bob de Fremery tells me I would do well to get in touch with you.

I became convinced of the worth of Henry George's ideas at the start of this year. Am busy writing all over the world, trying to get statesmen to act on Georgism, using New Zealand as my example of a success story. It helps that I lived in New Zealand half a year in 1955 - and wondered why it was so fine. I guessed it had something to do with the laws, and wished some young man would be sent down to find out. I'm a historian, and felt that was a bit out of my field.

Well, my history books are written now. I am content with them, and don't want to write any more (unless on Georgism). I am free to go ahead, on this new tack.

I'm 63, a grad of Harvard (B.A. only) and hard ~~knocks~~. Inherited a bit of money, that has come in very handy, so I have total leisure since 1952. My hobby is long distance running. If you are ever out here, you might drop in on ~~my~~ and my wife.

Sincerely

Tertius Chandler

Tertius Chandler