

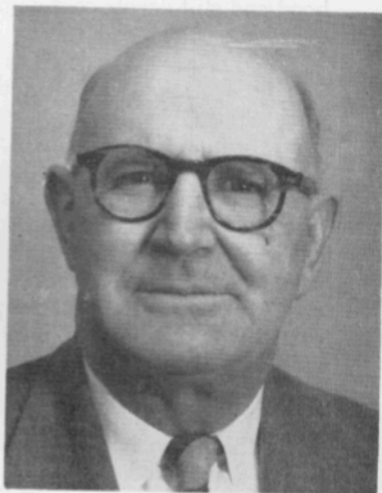
the Henry George News

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See the Goal then Build the Road

DR. ROLLAND O'REGAN, Chairman of the New Zealand League for the Taxation of Land Values urged graduates of the Henry George School to be concerned with obtaining a more equitable economic system in the United States and elsewhere. Addressing the school's annual dinner meeting in New York on May 8th, he pointed out that although the Henry George School is not in a position to enter the activities field, since it limits itself to education in the areas of fundamental economics and social science, this does not apply to graduates.

He believes students should be able to join a society or organization on completion of their courses, and should engage in research on tax matters in order to be in a position to advise local and state taxing bodies and officials on proper methods of scientific taxation. Graduates who would make themselves experts on tax facts, particularly property taxation, would be very effective spokesmen for improved methods of



raising public revenue, he said. It was his impression that the school was of first and fundamental importance, was doing a good job, and should be maintained at all costs—with land value taxation presented as a means to an end, rather than an end in itself.

He believes the real teaching is done in the market place and that the time has come to get into politics, as the Junior Chamber of Commerce members in Erie, Pennsylvania have done. His visits and meetings there convinced him that something similar could be done in a number of states. In Erie the movement has met with a most encouraging response. While action from

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the Council is slow, they must remember that the power to change the system rests with the taxpayers, and not with the City Council. Those who are working for the reform have learned almost as much as the citizenry, according to this distinguished surgeon and international tax expert.

The world is changing fast, not only politically but economically, and the U.S. is not as big as it used to be, he said. What happens in one corner has a greater effect throughout. The people he has met in the United States have been receptive, willing to listen, and even sympathetic. While he was reticent in expressing himself regarding the problems facing American cities of the future, he noted that housing is "dragging its feet," and this urgency must be met if cities are to become fit and proper places in which to bring up families.

America's biggest potential market, he suggested, is not beyond the seas but among the 32 million who live on the poverty line. This number is comparable to the combined population of Canada, Australia and New Zealand. Every new man in a job is another family of consumers, and to bring in this vast potential market by means of a tax reform is perhaps visionary, but the speaker notes, "it is first necessary to see the goal like a distant mountain range so as to build the road in the right direction."

The land value tax plan involves removing local property taxes from houses, buildings and improvements and taxing land values alone, at the local level. Dr. O'Regan explained that this is to the general advantage of the community, and results in 80 to 90 per cent of homeowners having their taxes reduced—this is why community after community has voted for it. He predicted that soon all New Zealand and Australian local property taxes would be collected through levies on land val-

ues alone. It survives, despite party conflicts, increased by neither party and repealed by none.

An Important Reform

He is convinced this is a serious and important reform, which, when it is complete, will pave the way for other reforms. Success has not been spectacular, partly because there has not been full cooperation from the economists in universities who have been influenced by industrial patterns and by Keynes. What progress has been made can best be traced to distinguished men who have worked consistently through the years to sponsor and explain the advantages of levying taxes on improved land values. In New Zealand the legislature passed such an act in 1896 giving local taxpayers power to untax improvements. Judge Patrick O'Regan, father of the speaker, who was active and influential in public life in Wellington, was largely responsible for that legislation.

At present all improvements are tax free in 85 per cent of the urban areas in New Zealand and in 70 per cent of the rural areas, and three-fourths of all the local tax revenue is levied on land values alone. As the trend continues, a poll is pending in Auckland—New Zealand's largest city, where voters will soon decide the issue.

New Zealand has, in addition, a national land tax, and Australian states levy a land tax, beyond the local land tax. Dr. O'Regan believes land value taxation is an important factor in high employment in both countries and is a factor in good housing and low incidence of slums in all localities which practice it. He termed it "a silent wholesome influence that makes for wider and better ownership of land."

This method of levying property taxes gives an advantage to the worker and improver who puts land to its highest and best use, and places a tax

penalty on vacant land, blighted land, or land put to any inferior use. The speaker was of the opinion that these taxes are a permanently important restraining factor on land prices and that wide ownership of land is one of the best defenses against communism.

It is Dr. O'Regan's contention, based on long experience, that this mode of taxing property is a built-in, constant stimulus to better land use. Construction industries are especially benefited by untaxing improvements, as some 32 per cent of all capital investment was attracted to that field, with resulting beneficial effects on employment.

To summarize a broad and somewhat technical report—placing a tax on unimproved land and taking it off improvements puts the powerful profit motive to work for and not against certain desirable social aims. It tends to cheapen land and discourage speculation, and counteracts the dreaded and costly urban sprawl, promoting mid-city urban renewal by private enterprise.

The six weeks of strenuous lecturing began in San Francisco on April 8th and continued along the West Coast, through the Midwest to the East, and included 24 meetings, seminars, luncheons and dinners. Among those who met with the visiting tax expert were Housing Administrator Robert Weaver; Assistant Secretary of Commerce Herbert Hollomon; Governor Edmund G. Brown of California; former Governor David Lawrence of Pennsylvania; Congressmen Van Deulin of California and Gill of Hawaii; members of the Oregon legislature and numerous other state and local officials as well as university and business leaders.

Both Dr. O'Regan and Miss V. G. Peterson, Executive Secretary of the Robert Schalkenbach Foundation, who sponsored the tour, described it as highly successful and concurred it

would be productive if increased interest in land value taxation resulted. Rolland O'Regan is author of the New Zealand chapter in a book on *Land Value Taxation Around the World*, published in 1955 by the Robert Schalkenbach Foundation of New York. Dr. and Mrs. O'Regan left the United States on May 18th for London.

Thomas A. Larkin, a trustee of the Henry George School, presided at the dinner meeting and introduced the guests which included, besides Dr. O'Regan; P. I. Prentice, Vice President of Time, Inc.; Dr. L. George Paik, former President of Yonsei University, where the Korean *Progress and Poverty* was published; O. P. Gabites, Consul General for New Zealand; and A. R. Cutler, Consul General for Australia.

Canberra

The Australian Consul General said Henry George was well known to him in student days and had some influence in Australia. He referred to the capital city, Canberra, which was planned by an American Georgist, Walter Burley Griffin, 50 years ago and has been celebrating its anniversary.

The Standard, published in Sydney, notes "it is a cause for great jubilation that the Australian Capital Territory has a valid claim to jubilate, as its land-tenure system has substantially restored to the people their natural and basic heritage—the land. All Australians can take a pride in this."

Progress, another Georgist journal, published in Melbourne, pays a tribute to the architect, Mr. Griffin, and notes that a commemorative stamp was issued in his honor bearing his likeness. Other striking examples of Walter Burley Griffin's architecture may still be seen in Wellington and elsewhere. Ground rents in Canberra are periodically re-assessed and payable to the government for public revenue.