

HENRY GEORGE DAY: THE CONDITION OF LABOR 1991

Union Leader Cheliotas Proposes Fair Tax Plan

Labor Day 1991 fell on September 2nd, the 152nd birthday of Henry George. This year's celebration at the New York HGS had a special significance, not only because of George's birthday, but because 1991 marks the 100th anniversary of George's *The Condition of Labor*, his celebrated reply to *Rerum Novarum*, Pope Leo XIII's encyclical on the struggles of working people. Forty-five people gathered at the school to view proclamations by Mayor David Dinkins and City Council President Peter Vallone, share food, and hear the views of labor leader Arthur Cheliotas, President of the Communications Workers of America Local #1180.

In his opening remarks, George Collins reminded the gathering that because *Rerum Novarum* argued that the fortunate few in society have a responsibility to help the suffering many, Henry George considered it an insult to working people. George believed that people who had an opportunity to make their own living would never need handouts. It is in that spirit that Mr. Cheliotas and the Communication Workers' Union offer their "fair tax" proposal - an effort to level the economic playing field in New York City.

The need for such reform, Cheliotas said, is amply shown in state income statistics. The bottom 1% of workers in New York earn an average of \$14,200 for a family of four, and pay 14% of that income in various taxes. The top 1% earn \$1.4 million and, after writing off state taxes on their federal returns, pay only 8.6% of their income in taxes.

The five points of the Union's proposal (not all of which would probably receive Georgists' support) are: A more progressive income tax for the state, a new sales tax on business services, an end to many tax exemptions for universities and other "profitable nonprofits", a clamp-down on exemptions for luxury developers, and a land value tax. Cheliotas has found that of the five proposals, the one that has met with

the most recognition and support is LVT. The five-point plan, he said, "is not Henry George's Single Tax, but in this day and age, it is a step in that direction."

People say that Henry George is a century old, Cheliotas noted. They also say that about another seminal figure of the Progressive Era, Eugene Debs. "Although there is no evidence that Eugene V. Debs and Henry George ever met," said Cheliotas, "there was a powerful meeting of the minds." Debs said that his two greatest influences were Victor Hugo (for whom the V in his name stood) and Henry George. Debs read almost all of George's work in 1884, when he was imprisoned by President Cleveland for leading the Pullman strike.



Are Debs and George irrelevant today? Not on your life, argues Arthur Cheliotas, because the social issues they addressed are intensifying. Too much has been made, Cheliotas argued, of the so-called deindustrialization of the United States. True, overall U.S. industrial productivity has fallen, but it is still the highest in the world. The important thing is that wages in the U.S. have fallen. That is the reason why Henry George is still relevant today: rent's inexorable tendency to absorb gains in productive efficiency.

Cheliotas noted that the ratio of land prices to construction costs has been on the increase for many years; "the land monopoly still represents a barrier to entry... reinforced by subsidies and zoning." The result has been urban deindustrialization in favor of high-rent residential development. "It is no accident that New York wages are the lowest of all major U.S. cities....Of the ninety people arrested recently in Crown Heights, only four had fulltime jobs."

The insights of Eugene Debs and Henry George are not just relevant today, Cheliotas concluded, they are essential. We must re-learn from Debs, he said, that the struggle against social inequality involves all workers, employed and unemployed, in or out of unions. And we must re-learn from George how to get beyond piecemeal reforms and address the real problems.

Philadelphia & Arden

Henry George Day was also celebrated in Arden, Delaware, the charming community founded upon George's single-tax principles. Speaking in support of these principles on September 2nd were Bill Press (Chairman of the Arden Town Assembly), Joan Colgan (Arden Trustee), and Georgist stalwarts Ed Dodson (HGS President), Jacob Himmelstein, Steven Cord, and Frank Nelson. The afternoon program was preceded by a Law of Rent seminar conducted by Philadelphia HGS Director Mike Curtis.

Following the Arden activities, Mike and several others joined HGS volunteers Lu Cipolloni and Don Hurford to share the customary birthday cake at the Henry George Birthplace in Philadelphia.

Leo XIII & Henry George: The Labor Question

But all agree, and there can be no question whatever, that some remedy must be found, and quickly found, for the misery and wretchedness which press so heavily at this moment on the large majority of the very poor.

- *Rerum Novarum*, 1891

But I should like your Holiness to consider how utterly unnatural is the condition of the masses in the richest and most progressive of Christian countries; how large bodies of them live in habitations in which a rich man would not ask his dog to dwell; how the great majority have no homes from which they are not liable on the slightest misfortune to be evicted; how numbers have no homes at all, but must seek what shelter chance or charity offers. I should like to ask your Holiness to consider how the great majority of men in such countries have no interest whatever in what they are taught to call their native land, for which they are told that on occasions it is their duty to fight or to die.

- *The Condition of Labor*, 1891