

# Henry George NEWSLETTER

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## NEWSPAPERS DISCOVER HENRY GEORGE (AGAIN)

The New York Times, Long Island's Newsday, and the Philadelphia Inquirer, three of the most influential daily newspapers in the northeast, have recently rediscovered Henry George. Through editorials and coverage of Georgist activities in their areas, they have introduced countless readers to land value taxation.

The Times, in a September 26 editorial entitled "To Spend Tax Incentives Wisely," once again endorsed LVT as "the best way to encourage useful development."

This marked the third time since May the Times recommended reducing the tax rate on all improvements while raising taxes on location values. Like the others, the editorial focused on inadequacies in New York City's existing tax incentive programs. It supported a new city proposal to abolish the board which decides, on a case-by-case basis, which builders get a tax break and which do not.

The new proposal grants the breaks automatically for developers who build in specified parts of the city. The Times, calling New York's existing property tax laws shortsighted, said the program's sponsors are right "as far as they go, but they do not go far enough."

"Tax incentives will not fully serve public policy until tax consequences are fully recognized," the editorial said.

The Inquirer article, "A Reformer's Message Is Their Sacred Trust," appeared on Henry George's 144th Birthday, September 2nd. Replete with photos of the birthplace and Philadelphia Director George Collins, the article gives a brief biographical portrait of George and a capsulized version of his remedy. It also traces the survival of the Single Tax movement to the Philadelphia school of 1983.

Although the reporter called the land value tax programs now in effect in western Pennsylvania "a watered-down version of George's ideas," he acknowledged the recent Times and Fortune endorsements and quoted Collins as seeing it as a "warm embrace" of the Georgist philosophy.

Significantly, the article also focused on the appearance of a land value tax proposal before Philadelphia's City Council.

Newsday reported the results of a survey recently conducted by the Center for Local Tax Research in the Long Island town of Southold. It showed that roughly 87 percent of homeowners in the town would pay lower taxes if there was any shift toward increasing taxes on land values and reducing taxes on improvements.

In addition to quoting the Center's Michael Gavaghen and Harris Davis, Suffolk Coordinator of the Incentive Taxation League, the article sought critics of the land value tax concept. It had little trouble finding them.

Nassau County Assessor Abe Seldin feared that LVT would create "tremendous pressure to upzone property...[which] could very well change the way of life on Long Island."

(Perhaps when he reads the article Seldin will remember that local communities already possess a means of controlling unwanted development -- their own zoning laws.)

The article also refers to fears expressed by "county officials" that increased suburbanization will destroy the character of the East End section of Long Island.

(Apparently they miss the point that land value taxation would work against continued suburban sprawl by encouraging development of the land closest to the commercial and industrial center of the region -- New York City -- and thus spare the comparatively remote eastern end of the island.)

The Newsday piece also quoted Bruce Geiger, legislative aide to State Senator Owen Johnson, who has drafted a local option bill which would grant assessing units the right to initiate LVT in their own districts. Geiger said Johnson was circulating the bill among legislators and state officials, and will soon decide whether to pre-file the bill in November.

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## RIPPLE EFFECTS OF HOUSING

With the development of macroeconomics in the 1930s came the birth of the multiplier. It was an attempt to illustrate the degree to which additional spending results in an increased Gross National Product. These additional investments filter through the economy influencing secondary consumption spending.

The multiplier concept is especially important to those of us who advocate higher taxes on land values.

Our recent recession had catastrophic results on the housing industry. For example, just over one million new homes were built in 1982, and industry unemployment approached 22 percent. As the recession faded, projections for 1983 saw a 40 to 50 percent increase in new home construction with a concomittant decrease in unemployment.

But what impact does a healthy home-building industry have upon related businesses? In other words, what is the multiplier effect in private industry, without the need for government subsidies?

According to industry estimates, it translates into more than \$75 billion for the ten industries most likely to benefit from a strong housing market. Some one and three-quarter million jobs would be created. A portion of the list:

INDUSTRY	SALES (In Billions)	JOB'S REQUIRED
Construction	\$38.07	1,176,000
Lumber	12.01	130,000
Transportation and Trade	8.34	230,000
Stone, Clay and Glass	6.22	73,300
Fabricated Metals	4.89	56,500

Beyond the housing industry and its related businesses, a variety of other occupations would benefit from a healthy housing market: agriculture, trucking, wholesale trade and business services, to name a few. These four areas (and there are more) account for over 375,000 new jobs. How much would it cost if the government sought funds to find employment for an equivalent number of workers?

That land value taxation increases construction is accepted by friend and foe alike. But its impact can be brought home when the multiplier effect is interwoven with an improved housing market.

-- Stan Rubenstein

# SCHOOL NOTES

## LONG ISLAND

"You and the Property Tax," a two-hour seminar devoted to explaining the property tax, and how it can be reformed, continues to attract homeowners on Long Island. Nine classes were held in various adult education centers. The only advertising was an entry in each center's brochure, yet the sessions attracted 125 people -- 35 of whom signed up to learn more about the subject. Interestingly, six of the classes were held in the same districts as last year.

## NEW YORK

Frae Delman has joined the New York staff as a part-time coordinator of the New York School's effort to bring George into the mainstream college curriculum. She is focusing on arranging for speakers from the school to appear before economics, history, public finance and current events clubs. Frae is also seeking professors who would be willing to invite a representative of the school to speak on George, the Single Tax movement and property taxation programs during a regular class session.

The initial response has been positive. Mailings to four of New York City's thirty-odd colleges found two instructors who would welcome such a lecture. The public finance club of Baruch College has also requested a speaker.

Dr. Oscar B. Johannsen is teaching a course entitled "Justice, Freedom and Henry George" at St. John's University's School of Continuing Education.

The class consists largely of undergraduates who have volutarily opted for the ten-week certificate course. The abridged version of Progress and Poverty is the text.

It is believed that this is the first time a course on George's philosophy has been offered at a major university. St. John's is the largest Catholic college in the nation.

## SAN FRANCISCO

A presentation will be made at the annual conference of the National Council of Social Studies Teachers over Thanksgiving week. The topic will be "The Land Question in History." In addition, a booth will be maintained jointly with the New York School and the Robert F. Schalkenbach Foundation.

The San Francisco School targeted specific organizations and groups to launch an experimental program to focus the basic course for individual audiences. Initial results are promising, according to the school. For example, 12 members of the Association of Humanistic Psychologists are taking Progress and Poverty this fall.

As part of their Peace/World Order/Environmental Outreach effort, the San Francisco School is compiling a list of 500 such organizations and their directors. They plan to invite these groups to subscribe to the monograph, Economics for a Peaceful Plant. Extension directors and other Georgists are asked to forward appropriate names and addresses to the School as soon as possible.

## LOS ANGELES

More that 90 students enrolled for the fall sessions of Classical Analysis, according to director Harry Pollard. The course is being offered in Montrose, Burbank and Glendale. This semester, each class is being divided into smaller groups working independently of the others for the duration of the eight week basic course. Intermediate and advanced courses will be offered in subsequent terms.

A seven session course on "Stewardship of the Land" has been initiated for leaders of the Dutch Reform Church of Garden Grove, whose pastor is television's Dr. Robert Schuller. The sessions have been arranged by Dr. Margil Wadley and Dr. Mason Gaffney of the Religious Subcommittee of the Orange County Graduate Committee.

**ANNIVERSARY TRIBUTE TO GEORGE'S SOCIAL PROBLEMS**

The 100th anniversary of George's Social Problems will be marked by the production of a special two-color cacheted envelope featuring George's picture and a brief description of the 1883 masterpiece.

The effort is being sponsored by the San Francisco School, in conjunction with the Philatelic Journalist.

According to Education Director Alanna Hartzok, the envelope will be in brown and gold and will contain information about George, the book and the school.

The envelopes will cost approximately 60 cents each, and they can be retailed at \$1.00 each to students, graduates and membership. The San Francisco School has ordered 1,000 copies; other extensions are invited to do the same.

Fred Foldvary is coordinating the effort to promote the first postal commemoration of Henry George in history. For more information, or to place an order, contact him at (415) 548-3776 or (415) 622-3599.

**SURVEY SHOWS LONG ISLANDERS TO GAIN FROM TAX SHIFT**

Nine out of ten homeowners in the Long Island town of Southold would benefit under a Land Value Tax, the Center for Local Tax Research announced recently.

The results of a random sampling of 189 homes in the Suffolk County community show that 87 percent of all homeowners would save from any shift toward increasing taxes on land and reducing them on improvements.

Residents in each of Southold's seven school districts stand to gain from an LVT program. Their share of the present tax structure would be absorbed largely by owners of vacant land. Nearly 30 percent of all lots in Southold are vacant.

When presented with the results of the survey, town Assessor Henry Moisa acknowledged that "in the future, something along these lines should be considered -- that is, basing a heavier tax on land values while decreasing the tax on improvements."

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