George In The News

The following two editorials appeared in the November 29, 1979 and December 14, 1979 issues of the *Scranton Times*, are being reprinted with permission of the publisher:

PITTSBURGH PLAN WORKING, STUDY SHOWS

The Pittsburgh experience, with its change in the ratio of the city's tax on land and on improvements has been encouraging, according to a study of results in the first nine months that the plan has been in effect.

To avoid a major increase in the wage tax in Pittsburgh, its City Council decided to alter the ratio of its graded tax on land and on improvements. Like Scranton, Pittsburgh had since 1924, been taxing land at twice the rate of improvements. Effective this year, the land tax rate nearly doubled, causing opponents to claim that the higher tax on land would interfere with development, increase the number of abandoned buildings and cause high rates of turnover and instability in residential neighborhoods.

That has not been the case, according to a study by the Center for Local Tax Research, which is affiliated with the Henry George School, in New York City.

"The evidence indicates that the tax change was accompanied by positive trends in Pittsburgh's community development, when compared to previous years and to surrounding areas," the center reported.

An increase in the number of building permits, and a decline in the number of permits issued for the razing of structures, was interpreted by the center as the indication of "a trend toward more small home improvements, rather than large commerical undertakings. This evidence runs contrary to the fear that the high land tax would result in homeowner neglect and neighborhood deterioration."

The center notes that it is too early in Pittsburgh's experience with the increased land tax to reach final conclusions. Yet, the positive changes in PIttsburgh's development in the first nine months of the year suggest that the "beneficial effects (will be) magnified" as more property owners become aware of the tax advantages on highly improved properties.

PITTSBURGH PLAN DESERVES CONSIDERATION

Members of the Scranton City Council would be missing a marvelous opportunity to take advantage of the unique benefits of a graded tax on real estate if they pay no heed to suggestions the so-called Pittsburgh Plan be followed.

At budget-making time last year in Pittsburgh, the council of that city was faced with the same situation Scranton lawmakers are confronting. The mayor

(continued on page 5)

Pennsylvania

(from page 1)

University, in Pittsburgh. In testimony before the Pittsburgh City Council, Simon said: "The average increase in tax bills of city residents will be about twice as great with a wage tax increase as with a land tax increase."

Simon also noted that the land tax is economically sound "because it is the use of property that creates the need for the most expensive municipal services: fire and police protection, garbage collection, and public works."

The tide of reform in favor of land value taxation has led to new interest on the part of other cities, including Philadelphia, and other property tax jurisdictions including counties and school districts. Current Pennsylvania law permits the graded tax only for municipal purposes in cities of the second class. Legislation has been introduced in Harrisburg to permit the "Pittsburgh Plan" in all jurisdictions that levy the property tax, including school districts, the largest component of the property tax.

Center for Local Tax Research

BUILDING PERMITS, RAZED STRUCTURES AND PROPERTY SALES
CITY OF PITTSBURGH, 1978 AND 1979

	1978	1979	Percent Change
1. Building Permits– Jan. thru Sept.			
New Buildings	201	158	-21.4
Extensions and Additions	185	221	19.5
Alterations	2,282	3,136	37.4
TOTAL	2,668	3,515	31.7
2. Razed Structures– Jan. thru Aug.			
Razed by Owner	146	78	-46.6
Razed under Comdemnation	266	216	-18.8
Razed by Owner After Comdemation Proceedings	37	51	37.8
TOTAL	449	345	-23.2
3. Property Sales– Jan. thru Aug.			
Total Residential	4,077	3,816	- 6.4
Owner Single Unit	2,786	2,656	- 4.7
Owner Multiple Units	77	62	-19.5
Rented Single Unit	1,040	941	- 9.5
Rented less Than 5 Units	69	95	37.7
Rented Greater than 4 Units	105	62	-31.0
Commercial and Industrial	290	304	4.8
Vacant Lot	412	480	16.5
TOTAL (including unknown)	4,781	4,601	- 3.8

Source:
1. *Monthly Reports*, Bureau of Building Inspection, Dept. of Public Safety, City of Pittsburgh.
2. *Demolition Reports*, Ibid.
3. City Information Systems, City of Pittsburgh.

SCHOOL NOTES

SANTO DOMINGO

Lucy De Silfa, Director of the Henry George School in Santo Domingo, the Dominican Republic, reports on the resumption of programs and activities following the interruption due to the damage caused by Hurricane David, and its aftermath.

"Everything was ready for us to have a very active and productive year ahead, but the demolishing fury of the hurricane destroyed all our good work. The worst damage was not done by the actual hurricane, to our building, but by the vandalism and burglary that seems to go hand-in-hand with natural disasters.

However, we have made some progress. We held three classes in October, which were well-attended, and old and new students attended an end-of-term party, which was a pleasant success. Our prospective for 1980 is encouraging, as a nice group of young professionals have enrolled to help us rebuild the school and beef up our programs.

We have been working closely with the Instituto Agrario Dominicano in developing a land registration system that will be the base for land value taxation. This program is still in the planning stages, but we hope our input will encourage the government to seriously consider implementation. A recent conference held at the school on this issue was attended by high-ranking officials of the Armed Forces, the National Congress, political emissaries from various parties, as well as interested students both from our school and the university. The speaker, El Ingenerio Agronomo Santiago Moquete, head of the Department of Studies and Investigation of the Instituto, spoke very strongly about the importance of land taxation.

It has been rough, but little by little, we are able to continue working for change, and spreading the good word of Henry George."

TORONTO

Following extensive study of property tax reform, and after careful scrutiny of the current land taxation methods and assessment practices in the City of Toronto, the School for Economic Science has made the following recommendations to the Toronto City Council:

1. The City of Toronto should immediately adopt a policy of assessing and taxing vacant land at 100% market value; a policy that need not await a solution to the entire reform package.
2. The City of Toronto should recommend that the Provincial Government assessment records be made more accesible and distinguish separate land and building values for each property, as done prior to 1970.
3. The City of Toronto should provide for legislation enabling current and future councils the option of untaxing improvement values and uptaxing land values.

Laire Teich, the school's director feels that "in all likelihood, current public awareness, extensive market value research, and the political process will result in the implementation of a modified market value assessment, with due credit to the benefits of site-value taxation where practically and politically feasible."

CALIFORNIA REPORT

Four classes are being run during the Winter, 1980 semester in Sacramento, Pasadena, and the San Fernando Valley, according to Harry Pollard, Director of the Los Angeles area Henry George School. The class in Sacramento will be offered in cooperation with the Adult Department of American River College. The classes in Pasadena will be offered through the Pasadena City College Adult Extension.

These classes, which are fee-paying, are run using the "Creativity and Control" section of Pollard's innovative High School InterStudent program. The program stresses discussion, questioning of the concepts, role-playing, and small-group dynamics, which adults seem to enjoy. "Extensive rewriting of the program was necessary to cut the individual session content," Pollard says.

Three classes were run during the Fall semester, using the revised program. The Los Angeles area class was held at the Beverly Hills Adult School, under the direction of Morgan Harris. The Sacramento classes were run by Patricia Scanlan, Richard Campbell, and Bob Goodier. Newspaper ads, neighborhood invitation cards, Adult School mail advertising, and distribution of brochures to nearby public libraries gathered enthusiastic response from the public.

Preliminary findings seem to indicate that cooperation with the existing adult education structure offers greatest opportunity.

In San Francisco, a Special Seminar is being offered on January 20, 1980, at the Fort Mason Center, to introduce prospective students to Henry George and *Progress and Poverty.* Five classes have been scheduled for the Winter, 1980 semester; two will be in San Francisco, one in Marin, and two in East Bay. The classes run about eight weeks, and there is no tuition charge.

Harry Pollard, Director of the Henry George School in Tujunga, California, and founder of the successful InterStudent Program, was involved in a five-school demonstration for the San Juan School District in Sacramento, from January 7th to January 21st.

CHICAGO

The Progress and Poverty Centennial Committee in Chicago, in collaboration with the Henry George School of Social Science in Chicago and the Better Cities Committee of Illinois celebrated the 100th Anniversary of the first printing of *Progress and Poverty* in the Preston Bradley Hall of the Chicago Public Library Cultural Center on October 10, 1979.

Mrs. Preston Bradley spoke on the relationship between religion and the social problems brought to the public's attention by Henry George. Weld Carter, the Executive Secretary of Taxation, Resources and Economic Development (TRED) spoke of the growing acceptance of the principles of land value taxation in academic and governmental circles.

The Centennial Edition of Progress and Poverty was presented to Mr. Donald J. Sager, Library Commissioner, by William Ranky, Program Chairman. The Commissioner expressed his thanks to the Henry George School of Chicago for its earlier donation of thirty-five copies each of *Progress and Poverty* and *Social Problems*, which were distributed among the main Branch libraries.

NEW YORK CITY

Over one hundred students attended four classes offered during the Fall Semester at the Henry George School in New York City.

The courses offered were: an introductory course on *Progress and Poverty* taught by Dr. Harry Fornari, a course on Money and Banking, taught by Oscar Johannsen, a history-related course on American Dissenters, including Henry George, taught by Dr. Bernard Bellush, and a course on Taxes and Politics, taught by Philip Finkelstein, which was also available to Hunter College students as an elective.

This year, ads were placed in the *New York Times*, the *Daily News*, and the *New York Post* to attract new students. Brochures containing a convenient pocket for registrating by mail were sent to those already on the mailing list, and were handed out to interested passers-by as well. One facilities fee allowed students to choose one or two courses, and many students took advantage of this opportunity.

NEW MEMBER, TRUSTEE ELECTED

Jerome S. Medowar, prominent Long Island attorney and trustee of the Henry George School in New York City for the past three years, has been elected a member of the school corporation.

At its January meeting, the trustees also voted Stanley Sinclair, journalist, to rejoin the board as a trustee. The board is composed of fifteen trustees, nine of whom are members, elected for life. Trustees serve one-year terms, following election at the annual member's meeting, which is held in February.

ADDITIONAL UNITS APPROVED

New units of the Henry George School are scheduled to open in Chicago and Pittsburgh, following approval of intitial grants by the Board of Trustees in New York City.

The Chicago unit is to be headed by Salvatore (Sam) Venturella, a long-time Georgist, and member of the City Planning Department of Chicago. The Pittsburgh unit will be under the direction of Dan Sullivan, who has been active in his area in the last several years, serving recently as principal investigator for the report on the effect of Pittsburgh's land value tax.

The trustees also voted emergency funds for the refurbishing of the school in Santo Domingo, which was badly damaged in the aftermath of Hurricane David, which struck the Dominican Republic last fall.

Plan

(from page 3)

proposed raising the personal income tax. It was estimated the average worker would have to pay an additional $188 a year in wage taxes. The Pittsburgh council decided instead to increase the land value tax, leaving the tax on realty improvements at the same level. The net result was an average increase of $62, or two-thirds less than a wage tax boost.

John M. Kelly, a real estate tax expert, researched the application of such a plan to Scranton last March. His finding that altering Scranton's ratio of taxes on land to taxes on improvements of 2:1 could be carried out under the city's Home Rule Charter was reported to the Scranton City Council.

Both Mr. Kelly, a student of the Henry George theory of land value taxation, and the City Business Administrator of Scranton, James Beehan, have noted the chief advantage of having a higher tax on land than on improvements: It encourages owners of unimproved land to seek developers, a step which would add to the tax base of the city.

The city can use the advantage of the graded tax by increasing the land value tax rather than the personal income tax to ease the pain of whatever tax increase proves absolutely necessary.

CORRECTION

In the last issue of the Henry George News, the address for the new location of the Henry George School was erroneously reported as being 5 E. 55th Street. The school will be located at 5 E. 44th Street. Please continue to address all correspondance to our present address, which is 50 E. 69th Street, New York, N.Y. 10021, until further notice.