

FALL CLASS SCHEDULE

Last year, after several years of inactivity in Adult Education programs, we returned to the fundamental task of relaying our message to the adult public. Classes were larger than ever, due mainly to the timeliness of our course. Those completing the course repeated these sentiments over and over again.

The basic course "Progress and Poverty" will be given again at the locations noted below. We hope that you will pass the schedule on to any of your interested friends.

Students having completed "Progress and Poverty" may register for "Protection and Free Trade", Monday, Sept. 11th at 8 O'clock at the Plainview-Old Bethpage Library (Staff Room).

Valley Stream	(Memorial Jr. High)	Sept. 18	Mon.	136
Seaford	(High School)	Sept. 26	Tues.	214
Massapequa	(Bernier H.S.)	Sept. 13	Wed.	127
Westbury	(High School)	Sept. 27	Wed.	138

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# Long Island Georgist

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FROM OUR EDITORIAL DESK

It seems appropriate, after an hiatus of several years, to repeat to our readers our purpose as stated nine years ago, in our first edition. We intend to offer critical evaluations of existing problems, suggesting as we do so, possible solutions.

We do not imply, that we have the cure-all for every major dilemma, for no single answer will suffice, in a world as complex as ours. No magic wand can be waved, nor can we accept the notion that astute political polemicists can permanently solve the social and economic malfunctions of our society. We do know, however, that before an intelligent solution can be offered to any problem, its fundamental cause must be explored and understood.

With this in mind, we add our small voice to the cacophony of journalism.

Reassessment - Its Time Has Come

Reactions are mixed as early returns trickle in from those localities that have complied with the court mandate of reassessment of all properties at market value. Because of gross inequities in our methods of assessing properties, the courts have done what neither assessors nor legislators had the courage to do. It was no easy decision, for decades of inequalities had to be rectified, thus raising taxes for some and lowering them for others. And what with the general trend in higher property taxes, there is bound to be many an anxious moment until that fateful date.

In Nassau County, by 1981, all properties (both land and buildings) will be reassessed at full market value. This interim period need not be a period of anxiety and frustration but rather a time of reflection, a chance to explore some of the alternatives at our disposal. One such method is being explored in the State Assesmbly.

Assemblyman Martin Feldman, a Suffolk County legislator, requested the Center for Local Tax Research, a private, non-profit organization, to conduct a study in which land was assessed at full market value, leaving improvements at their present assessment. The study demonstrated that eight out of ten homeowners would benefit, that is, pay less taxes, if land were assessed at full value. This contrasts with the town of Islip, recently reassessed at full market value on land and building where approximately 50% of the homeowners benefited.

In the Deer Park District (the Huntington Town portion of the Half Hollow Hills School District), seventeen hundred parcels were examined, extrapolating the necessary data. This district, almost exclusively one family residential dwellings, centers on Deer Park Road and is bounded on the south by the townline between Huntington and Babylon and on the north extends about 3000 feet north on the Long Island Expressway. The area contains about thirteen hundred parcels, three hundred and twenty six vacant parcels, three commercial parcels and nine large parcels not classified as vacant, but mainly open space.

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The Long Island Georgist welcomes comments from its readers.

## The Biggest Fraud in History

The origins of titles to land on Long Island are most curious and interesting indeed, especially since they lay the foundation for all property rights in our society. The importance of these documents is exemplified in today's land suits by various Indian tribes such as the Mashpee Indians of Massachusetts, the Naragansetts of Rhode Island, the Devils Lake Sioux of South Dakota, the Passamaquaddy of Maine, etc.

In the lobby of the Town Hall of Islip on Main Street, encased in glass, lie several such antique documents, yellow with age, barely legible. They are the original bills of sale of large tracts of land from Indians to whites in Islip.

The earliest is dated June 10, 1701, and reads: "Nopanog Indian of Soacotak to John Mowbray between Penataquit and Watchogue Creek for a certain sum of money in hand". The others are of similar import.

These deeds are obviously of questionable legality, if not downright ludicrous. This Nopanog Indian of Soacotak, had no deed or bill of sale on his part of present as proof of ownership. Nor did the Indians of the other deeds. Also, there were no assessors, assessing offices or departments, land title and guarantee companies as yet.

A valid deed, such as a deed to a car, shows the purchase from the original owner, the maker of the car. Who is the original owner or maker of the land between Penataquit and Watchogue Creek sold by a Nopanog Indian of Soacotak to John Mowbray for "a certain sum of money in hand."? If a deed could be obtained from Him one would have a truly clear and unassailable title to this land.

Odd thoughts probe the mind. Did the land belong to the Indian because he was the first one there? What about the as-yet generation of children? If the land did not belong to the Indian, to whom did it belong?

On July 4, 1776, came the famous Declaration of Independence and the Revolutionary War. In the latter, the reins of government and the control of land were wrested from England. In the former was the famous statement that "all men are created equal, that they were endowed by their creator with certain unalienable Rights, That among these are Life, Liberty and the Pursuit of Happiness"

The words "among these" imply that there may be other unalienable rights. One of these may well be the equal right to the land of the United States because without this right to land one does not have an equal opportunity to pursue the other unalienable rights. Land is the basic necessity of all production. This right was not mentioned directly in the Declaration of Independence but was left in deference to State's Rights for the States to administer as their rightful sphere of influence. All the State Constitutions specifically mention this right. Our own New York State Constitution of 1777, Article 1, Section 10, says: "The people of the State in their right of sovereignty possess the original and ultimate property in and to all lands within the jurisdiction of the State."

How would one apply this principle retroactively to the sale of land from the Nopanog Indian of Soacotak to John Mowbray? Presumably, there was a third party involved, and that was the general public, later to become the people of the State of New York. This third party is the important one. The people's original and ultimate property in the land is still recognized by law in the right of "eminent domain", which right is exercised by various levels of government in condemnation proceedings prior to the making of capital improvements.

This Indian of Soacotak and John Mowbray were buying and selling land that did not belong to them. When no one challenged their right to do so, ipso facto it became right. Squatter's rights are obtained the same way. Eventually this process of making into private property what is basically public property resulted in the disenfranchisement of the land from the people, so that today most of the land in the United States is owned by a relatively few people while most of the people own little or no land. The result is inequality of opportunity in the use of this unique commodity which is so basic and indispensable in the production of wealth.

Robbed of his land, it is little wonder that the Indian could not survive on the same basis as before. Mother earth, to the Indian, belongs to all, for there was no such concept as private ownership of land in his vocabulary.

Apropos

If every man, woman and child in New York paid an equal amount in state and local taxes in fiscal 1975-76, that amount would have been \$1,139.94.

It was \$115 higher in the previous year, and was the second highest per capita tax load in the United States, Alaska having the dubious honor of being the highest taxed state in the nation.

After a decade of being taxed and regulated into oblivion, capital is virtually on strike in the United States. The result is a fundamental imbalance between a rising labor force and the tools needed to employ people productively... Although there are many causes of the reluctance to invest, the taxation of income from business investments is certainly among the most important. (First Chicago World Report)

Robert Reno, Newsday Economics Writer, had some interesting and not too complimentary remarks about the state of economists today. Some of these thoughts have been echoed in these journals in the past.

"Economics is probably the only discipline existing in the late 20th Century in which one recognized expert can win the Nobel prize for theories that another Nobel prize winner in the same field might consider baloney. In a sense, economists are still at the state geographers were in 1491 when learned men still debated whether the world was flat or round."

A federal task force on housing costs has concluded that federal, state and local government regulations are prime factors in escalating housing prices. Patricia Harris, Secretary of Housing and Urban Development, said government restrictions on land use and construction were primarily responsible for housing cost increases.

A recent study by the Rutgers Center for Urban Policy Research said that governmental delays and regulation add 1 to 2 per cent a month to the price of a new house. The study said that local communities are passing on the costs of roads, streets and sewer plants to builders and homeowners, costs which the communities once absorbed.

"Protectionism" has once again, become an important issue, to wit, Newsday's editorial position.

Freezing out Japanese television sets, European steel and Brazilian shoes has strong political appeal now because it looks like the easiest and quickest way to save a few thousand American jobs. Actually, import restrictions can only wind up costing jobs-millions of them. In the long run, sealing off the American Market by imposing quotas and tariffs would invite retaliation, dry up international trade and inevitably lead to a world-wide depression of the 1930's type.

Progress Magazine, an Australian Georgist journal, comes up with the latest statistics concerning some of the effects of land value taxation. In the metropolitan area of Perth, W.A. in Australia, 17 localities tax land values only; they experienced a 34% increase in total number of dwellings during a five year period. The nine localities taxing both land and buildings experienced a slight decrease in the same time period.

In the country districts of Western Australia, 36 localities taxed land values only; they experienced a 13% increase in total dwellings during the above time period. The 69 localities taxing partly land values only and partly land and buildings together experienced a modest 5% increase. The more land was taxed and buildings untaxed, the more new construction occurred.

Following are excerpts from Newsday (Letters to the Editor) by Dr. S. Scheck:

Although farm prices had doubled the previous five years, last year they almost doubled again-in just one year. Now we know why food prices are so high, and escalating constantly.

An exception to this trend was New Jersey where farm acreage fell more than 50 per cent. Under its 100 per cent reassessment program land, which had been grossly underassessed, was assessed equally to other property. Since the tax on vacant land was increased dramatically, the price dropped dramatically, much to the benefit of young farmers starting in business. Also, since more taxes were collected from vacant land, homeowner's taxes dropped three to five per cent, and commercial and industrial taxes dropped 20 to 30 per cent. Of course, this encouraged business, reduced unemployment, and accounts for New Jersey being No. 5 (1976 figures) in the United States in per capita income.....

## How To Make The Property Tax Work

Death and taxes share not only their inevitability, as the old saying goes, but the quality of reception they are accorded. Some taxes, like death, are regarded as more merciful or less unwelcome than others. The generally accepted standards may be stated as adequacy, equity and economic consequence.

An adequate tax is one that raises enough revenue to provide the service desired. It should not be so small as a nuisance to pay, collect and administer. Nor should it be so large as to destroy the very source that must bear it.

As for equity, the perception of any tax should be that it is fair either to those who pay, those who receive its benefits, or both.

The economic consequence of the tax should, on balance, be positive; that is, the levy should encourage sound development, production, investment and employment. If it can't do all that good, it should at least do as little harm as possible.

By all three standards the property tax as currently administered in New York State fails. The \$9 billion it raises is higher than any other state by far and the percapita payment is exceeded only by Alaska. There are taxpayers who find it confiscatory and property owners whose ability to pay is damaged or even destroyed by the tax itself.

The economic consequence of the property tax on New York State is possibly the most harmful of all. It discourages investment, development, improvement, sound growth and vital communities while it rewards deterioration, abandonment, sprawl and speculation.

The most insidious form of discrimination is that which taxes the two components of real property differently - land lightly and the improvements heavily. In New York State we are supposed to tax both the same. In fact, in most jurisdictions land is assessed very poorly if at all, and improvements, whether they be residential, commercial or industrial, are assessed as closely as possible. The result is that we make it very profitable to keep land from being properly improved, at the same time that we discourage new improvements and even the rehabilitation of older properties.

There are some people who are so fed up with the irrationality of the property tax that they propose doing away with it altogether, and raising revenue from another source. The fact is that New York State already taxes income, sales and other sources more than elsewhere. We have been so progressive in our taxation that we have progressed just about every form of income producing activity out of the state and into our competitive neighbors of Connecticut, New Jersey or points south and west, where such taxes don't exist or are now coming into being, at a much lower level. It seems hardly likely that the \$9 billion raised in New York State by the property tax is going to be replaced by any other form of taxation. At this juncture in New York State we are faced with the prospect of a major revision of our property tax. The courts will no longer tolerate different kinds of property. They will not tolerate different notions of assessment in different jurisdictions. The courts have in effect mandated that all assessment reflect 100 per cent full value.

The way in which we can make the property tax work for us instead of against us is to simply eliminate the biases to which it is now subject. The most fundamental one is the bias for land. If we could begin the process of assessing property at 100 per cent with the land, we can at once achieve a substantial amount of property tax relief for the homeowner who bears the greatest burden. Perhaps, most important, we would be striking the first blow for sound economic development.

We must make it clear that assessment is not a fixed figure for all time. It is an estimation of a value at a given time, which may and does change, and it must be kept up-to-date annually. Unless the taxing jurisdiction is capable of performing an annual assessment, any outside reassessment at any given time is a waste of taxpayer money.

Now we may hear the argument that 100 per cent assessment of land value is likely to push development at so rapid a pace that we're going to gobble up all of our vacant land at once. This fear is also unfounded. Some land, desirable for development, may become available at less than an exorbitant price. Owners may not be able to speculate forever while paying a minimal tax. At the same time, those lands which we want to preserve might be a whole lot cheaper to acquire.

THE TAX TO END ALL TAXES

The April-May 1978 edition of the prestigious American Heritage Magazine contains a feature article by David Hapgood entitled "The Tax To End All Taxes": Where is Henry George Now That We Need Him"?

Space prevents us from adequately summarizing the fine article but its tone can be gleaned from its conclusion.

"In less strictly economic terms, George's vision of assuring both freedom and fairness in access to natural resources is particularly appealing today. Any reader of Progress and Poverty can figure out how George would answer the pressing questions of our times. Instead of trying to prevent pollution by regulation, he would tax polluters heavily enough to motivate them to clean up their messes. He would allow private enterprise to mine minerals and oil and other fossil fuels, but he would tax away that part of the profit due to exclusive access to the gifts of nature.

Doubtless he would apply the same principle in the developing debate over the mining the ocean floor, taxing in this case for the benefit of all humanity - an attractive alternative to mining for the benefit only of multinational monopolies or authoritarian governments or incompetent international agencies.

Beyond this, George's view of the world around us as a trust to be preserved rather than a conquest to be looted is in harmony with our growing awareness of the limits of nature. In this most profound sense - that we are all tenants on this earth, and owe rent for how we use and misuse it - Henry George speaks to the present and the future as eloquently as he did to the past."

In addition to a concise biography of Henry George, American Heritage also has included some very interesting photographs of George and his family. There are also several cartoons illustrating George and his view.

(Con't from page 3)

By reassessing land at full market value, over 80% of the homeowners would benefit through decreased taxes, while other dwellers will have increased taxes. Generally, those with improvements assessed high will benefit, while unimproved property or those with very low value improvements will pay more taxes. Residence properties which have improvements will as a group pay less taxes. However, other categories of property, for example, vacant land will pay more as well as other undeveloped classes.

Full value assessment on land shifts the tax burden from highly developed intensive uses, such as a private home on a small lot, to those properties that now enjoy major tax benefits, such as large, mostly open areas.

Full value assessment on land, besides having significant benefits to homeowners, would provide the necessary incentives to develop under-used land in those areas where development is desired. The added advantage of allowing property owners to improve without tax penalty, would be an incentive for development and better maintenance. How many more jobs would be created, how much more merchandise would be sold locally by exempting improvements from any further increase and placing the tax more heavily on land!

(Con't from page 9)

The fact is that 100% assessment, particularly of land value, is eminently feasible, relatively painless, certainly far more sensible than having somebody inspect every fixture in every new house and every finished attic or basement. And it is rather quick, and certainly accurate, if we are able to utilize the new technology of the computer and we certainly can.

After three successful Alumni meetings this past Spring, the Long Island Extension will continue with its program of exploring contemporary issues. Details will be made available as soon as arrangements have been finalized.