

SCHO

RSF DIGEST

NEWSLETTER OF THE ROBERT SCHALKENBACH FOUNDATION

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The Robert Schalkenbach Foundation (RSF) is a private operating foundation, founded in 1925, to promote public awareness of the social philosophy and economic reforms advocated by famed 19th century thinker and activist, Henry George.

RSF remains true to its founding doctrine, and through efforts focused on education, communities, outreach, and publishing, works to create a world in which all people are afforded the basic necessities of life and the natural world is protected for generations to come.

Educational Equity:

(Noun): Programs, policies and practices that provide equal educational opportunities to, and ensure equal levels of academic performance of, all children and youth, including those who are members of protected classes and/or historically under-served or under-represented populations.

A close-up photograph of Betsy DeVos, the U.S. Secretary of Education, speaking. She has short blonde hair, is wearing glasses, and has a serious expression. The background is dark and out of focus.

“It’s clear that our nation’s schools must fully reopen and fully operate this school year. Anything short of that robs students, not to mention taxpayers, of their future.”

*Betsy DeVos
U.S. Secretary of Education*

TODAY'S LEARNING: LIVING HISTORY

BY JOSIE FAASS, EXECUTIVE DIRECTOR

It turns out that heat and mosquitoes alone don't make a summer. With backyard BBQs, summer camps, and vacations replaced by mask-related drama, viral surges, and profound uncertainty about what comes next, this summer has been less like a glass of sangria, and more like a (not so) heady cocktail of boredom and anxiety.

For those (like me) with young kids in the mix, the end of this particular summer comes with an agonizing and decidedly unfamiliar choice. Do I send my children back into the scrubbed-with -perfume-induced-disinfectants classroom in September, where they'll spend their days masked and physically separated from peers and teachers until (pretty much inevitably) they close the whole school down due to yet another outbreak? Or do I continue to keep them home, enduring more months of that special kind of torture known as "remote learning"?

Of course, in the bizarro world that is 2020, these terrible choices are actually a luxury. Many school districts won't be attempting in-person instruction in the fall. In the districts that are braving the in-person teaching model, many parents have no choice but to load their kids onto the bus each morning (after the obligatory temperature checks), so they can go to work themselves.

How did we get here? A pandemic, yes. But the pandemic only laid plain what was already out there to see for anyone who cared to look: in our verve for individualism, our love of "the self-made man," and our starry-eyed belief that American greatness is somehow preordained, we have allowed the systems that protect our collective good to atrophy to the point where the "collective" has all but vanished, and each is left to fight for their own "good" without much in the way of guidance, let alone substantive supports, from our government.

THE GREAT WORK OF THE
PRESENT FOR EVERY MAN.
AND EVERY ORGANIZATION
OF MEN, WHO WOULD
IMPROVE SOCIAL
CONDITIONS, IS THE WORK
OF EDUCATION — THE
PROPAGATION OF IDEAS.
IT IS ONLY AS IT AIDS
THIS THAT ANYTHING ELSE
CAN AVAIL.

- Henry George



Remote learning may be right around the corner, but nature (especially the creek by our house) is my boys' favorite summer classroom. Frogs, salamanders, and worms better watch out for these two!

In the midst of all this global and national turmoil, July 2020 was also marked by the loss of a great thinker, a great activist for social and economic justice and a great friend to our RSF family: Dr. Mason Gaffney. Inspired at a young age by the writings of Henry George, Gaffney went on to inspire countless others as a teacher, writer, colleague, and friend, whose commitment to the idea that the Earth's bounty can, and should, provide for all never wavered.

I attended a virtual event recently, at which Mason's children were present and spoke eloquently and lovingly about their father. Music was very much a part of his life - a source of regular joy and connection with those around him. There is no question he was filled with courage and bravery. Bravery in speaking truth to power.

Bravery in holding fast to a set of fundamentally just, fundamentally righteous ideas, regardless the opposition he faced in sharing them.

I often end my monthly updates with a call for hope. I do so again this month in spite of our losses, or perhaps because of them. Remember, we don't need comfort or security to know what is just. We don't need acceptance to champion our ideals. And we don't need anyone's permission to make the music that brings us joy and connects us.

IN MEMORY

On Thursday, July 16, 2020 we lost a great economist and a true trailblazer, Dr. Mason Gaffney, Ph.D. The Robert Schalkenbach Foundation honors a life well lived. We will remember him best for the originality of his thoughts, and the unbridled passion he had for bucking the traditional economics mindset – fueled by his faith and his belief in the philosophies of Henry George. Gaffney’s numerous, unparalleled contributions, including *The Mason Gaffney Reader* and *After the Crash: Designing a Depression Free Economy*, have fundamentally shaped the way so many see our world.

Known for his weathered Stetson, genteel swagger, and comprehensive understanding of American terrain, Gaffney rode outside the herd of mainstream economists for the better part of the last century, arguing that the discipline’s traditional emphasis on capital and commerce was and is a tragic mistake. The way he saw the story, the land and its resources are the central protagonists, the landowner plays a naive villain, and the sales tax hangs around like a hungry wolf. Armed with this perspective, and a journalist’s way with words, he wrote more than 150 articles on subjects from market crashes to the future of cities to the perils of military spending—all marked by analyses that were often decades ahead of his contemporaries.

Gaffney was a bright student who grew up in New York, South Dakota, and Chicago. He was inspired by reading Henry George’s *Progress and Poverty* in high school. He began his college career at Harvard, but was disappointed by the economics department there. Gaffney later transferred to Reed College, and received his doctoral degree from University of California, Berkeley, having completed a dissertation entitled, “Land Speculation as an Obstacle to the Ideal Allocation of Land.”



While Gaffney spent his life pointing out the errors of his profession, he continued to reassure us that the solution to our problems has always been there—in the earth beneath our feet. RSF will continue educating on our earth’s resources in his honor.

Gaffney inspired many and drew them to the Georgist movement by something he wrote or said. He helps us understand that "ethical economics" is NOT an oxymoron.

To read RSF Board Members Wyn Achenbaum and Nic Tideman's tribute to Dr. Mason Gaffney in its entirety, visit:

**[https://schalkenbach.org/
robert-schalkenbach-fdn-
tribute-to-mason-gaffney-1/](https://schalkenbach.org/robert-schalkenbach-fdn-tribute-to-mason-gaffney-1/)**

DIRECTORS' PERSPECTIVES

WHERE THE RSF BOARD EXPLORES CURRENT APPLICATIONS AND IMPLICATIONS OF HENRY GEORGE'S TEACHINGS.

THE CURRENT STATE OF EDUCATION AFFAIRS FROM A GEORGIST PERSPECTIVE

BY: MATTHEW DOWNHOUR

In the next month or so – depending on where you live, students around the country will be starting a school year unlike any other. School districts around the country are struggling to develop plans that will allow students to return to school in-person, or to adapt to online learning. Threats by the present administration to withhold monetary support from districts that are not returning to in-person schooling have cast a new spotlight on the structure of school funding.

At first this may seem an odd topic for a Georgist to explore. Henry George himself was unhopeful, if not entirely dismissive, of the potential for education to eliminate poverty. He acknowledged the importance of education in increasing the productivity of society as a whole. However, he noted that, while an individual gaining more education could improve their wages relative to those less educated, the increase in the education level of society would not improve workers' wages so long as the fundamental inequalities remain in the economy.

George both helps to make political-economic sense of what the impacts of our education system are, and how the results we actually want can be achieved.

From a Georgist perspective, it is important to see schools as a prime example of public infrastructure that dramatically impacts land prices (and thus rents). When Florida implemented a new 'grading system' for schools, that allowed parents to compare schools directly, the houses near high performing schools gained \$10,000 in the first year. The gap between houses in the highest and lowest performing neighborhoods has only risen, reaching up to \$300,000 dollars . This causes



deepening economic gaps, and ossifies existing inequality. When a school system is recognized as high quality, it attracts wealthier residents to its area and drives up its own property taxes, further contributing to its quality and reinforcing the cycle. Like a railroad route in the 19th century, the existence of a good school has an overwhelming impact on the value of land, by increasing the potential productivity of it. (Cont. Page 8)

Calling All Authors

- Who:** Anyone who can write critically about today's world in a way that reflects the ideas of Henry George.
- What:** Blog posts for our website and this newsletter.
- When:** Anytime and all the time - we're always looking for authors.
- Where:** Check out "Blog Author Information" on our website for full details.



DIRECTORS' PERSPECTIVES (CONT.)

RIGHTS BASED ON SPURIOUS FOUNDATIONS

BY: BILL BATT



Recent years have seen the progressive increase in attention to human rights on a global level, both in the articulation of their definition and in their practical applications. At its inception, the United Nations enumerated thirty goals of international diplomacy. It comes therefore as some surprise, to some at least, that the Trump administration has proposed a new articulation of human rights, and the principles upon which they are based, that radically narrows their purview.

On October 23, 2019, Secretary of State Mike Pompeo established a Commission on Unalienable Rights whose purpose was to redefine these principles and rights. This draft report was released, today, July 17, 2020. Its agenda reflects Trump's philosophy. In a Washington Post opinion piece, Rori Kramer, who had a long prior career in the US State Department and the US Senate, and is now with the American Jewish World Service, writes: "it is a partisan effort to roll back US support for Universal human rights," and that it "instead seeks to reinterpret human rights within a narrow and highly partisan agenda."

"The [board] members of his commission he [Pompeo] selected [are] a dozen conservative academics, moral philosophers and theologians, most of whom appear to have little to no practical experience with human rights. Pompeo has also kept the group's work mostly private--in defiance of Federal rules for public commissions and in spite of a lawsuit by public interest groups." Moreover there is a particular focus "on the religious liberty of right-wing conservatives over the rights of the many, specifically women and LGBTQI+ people."

The Guardian headlines Secretary Pompeo's "claims [that] private property and religious freedom are 'foremost' human rights." Having set the stage for the content of this document, he turns the focus to property.

Page 13 states: The aim [of government] must always be to restore political society. The civil liberty that political society makes possible--the rights to travel; to enter contracts and agreements; to possess, use, purchase, and dispose of property; to the protection of person and property....

Foremost among the unalienable rights that government is established to secure, from the founders' point of view, are property rights and religious liberty. A political society that destroys the possibility of either loses its legitimacy. (Cont. Page 8)

PATH TO ECONOMIC EQUITY

BY: FRANK DE JONG



Do not expect justice where might is right - Plato

Children have no filter. They automatically demand their "fair share", usually at the tops of their lungs. Adults typically comply immediately, acknowledging this universal law among children.

The notion of fairness is jettisoned as we become adults. We assume society owes adults nothing, that they must earn their share or beg ignominiously for bread. Never mind that Jeremy Rifkin tells us, in "Empathic Civilization" that humans are at peak empathy, no one has the right to a free lunch.

This notion makes the vibrant Universal Basic Income movement all the more remarkable. Promising every U.S. adult \$1000 a month propelled Democratic primary candidate, Andrew Yang, from an also-ran to a contender. Alas, this was quickly followed by the COVID-19 pandemic which actually boosted the push for a UBI into a global, political phenomena. Maybe Rifkin was and is onto something. (Cont. Page 12)

DIRECTORS' PERSPECTIVES (CONT.)

FEAR OF THE FOREIGNER

BY: STEVE SKYLAR

"They're taking our jobs."

"And look who they let in..."

I've overheard these words often enough during the 26 years I've been practicing immigration law. My ears are especially attuned to them, representing as they do a potential threat to the fate of my clients. But phrases like these are not hard to come by. They can be heard from liberals as well as conservatives, from the children of immigrants as well as from those whose ancestors came over on the Mayflower.

Even recent immigrants themselves are not immune to xenophobia. I once heard a man who started his journey toward lawful permanent U.S. residence by working without authorization, thereby violating his student visa status, declare that what's needed is for us to crack down on illegal immigration. The irony was lost on him.

The fact is, this country has long been deeply ambivalent about being a "nation of immigrants." Sure, we cherish our welcoming national persona. We take pride in the words adorning the base of the Statue of Liberty. "Give me your tired, your poor, your huddled masses, yearning to breathe free..." And Emma Lazarus's stirring sonnet reflects our dominant national attitude during the first 60 years of this country's existence. As Roger Daniels reports in his history of U.S. immigration policy, *Guarding The Golden Door*, back then, as a matter of policy, we mostly wanted people from other lands to settle here.

But, from the outset, we have also hosted another national attitude. Consider this assessment of German immigration, written in 1751:

"Why should the Palatine boors be suffered to swarm into our Settlements, and by herding together establish their Language and Manners to the Exclusion of ours? Why should Pennsylvania, founded by the English, become a Colony of Aliens, who will shortly be so numerous as to Germanize us instead of us Anglifying them, and will never adopt our Language or Customs, any more than they can acquire our Complexion."

So wrote Benjamin Franklin, co-author and co-signer of the Declaration of Independence and the Constitution.

Although Franklin came to moderate his views on European immigration later in life, the attitude he expressed in 1751 toward German immigrants -- the attitude Daniels dubs "they are not like us" -- has pervaded the persecution of successive waves of

immigrants here. In the late 19th century, the Chinese were the target of our first restrictive Federal immigration legislation, the Chinese Exclusion Act. Around 1900, Japanese-owned shops were attacked and their owners assaulted up and down the West Coast. Filipinos, Irish people, Italians, Catholics in general, Jews and Mexicans are among those who have been reviled here, sometimes violently. To those of us who appreciate the cultural, literary, culinary, technological and aspirational gifts immigration brings us, such perennial hostility toward people with whom we share a common humanity is mystifying. Where does it come from? **(Cont. Page 10)**



CARBON, CLIMATE, AND COVID-19

BY: KRIS FEDER

In today's world, it seems that the only constant is change. From the COVID pandemic to environmental and social injustices, the thing we can agree on is that more change is needed -- positive change. RSF Board Member Kris Feder penned a three-part series that delves into the impact of hydrocarbons on our economy; the risks and cost of the Coronavirus; and the connection between energy and the food system.

The world experienced pandemics long before air travel and Big Oil. It is too early to say whether, despite medical advances, the risks and costs of epidemics will rise during the twenty-first century. As we observe future trends, we might ponder a further question that history has yet to answer: How would humanity manage a public health crisis in a world of justice and equality?

Read Kris' full series by visiting:

www.schalkenbach.org/carbon-climate-and-covid-19

Land Value Assessment and Universal Basic Income (UBI): A Canadian assessment with implications for America

BY: RICHARD PEREIRA

This is the most recent attempt to quantify and analyse land value in Canada, and the first attempt it appears to consider the application of a small levy on land rent for the purpose of financing a UBI. Research on land values has been made difficult for Georgists in Canada over the past decade due to many changes with the collection, compilation, location and archiving status of this data. The last attempt to quantify Canadian land value by Georgists, with the intent of changing the tax system in Canada, was in 2010.

A Draft Finance Proposal produced in 2010 concerning the national budget of Canada by Earthsharing Canada – also known as the Henry George Foundation of Canada – states: LAND: As a disincentive to suburban sprawl, farmland loss and..., a Canada-wide land value levy could be applied to the assessed value of parcels of land (ignoring improvements). The 2009 assessed market value of land in Canada was \$1.8 trillion generating approx \$100 billion of economic rent annually. A land value levy collecting 50% of this unearned income would generate about \$50 billion per year for the Canadian government.

Changes in where Statistics Canada archives its data, variations across provinces in how land value data is categorized and collected, problems with accessibility of data (often highlighted by the Parliamentary Budget Office of Canada) and other changes over the past decade have frozen this analysis in time. Real estate and land prices have escalated in the meantime in Canada.

The Draft Finance Proposal by Earthsharing Canada referenced above applies a 5.55% Land Value Tax (LVT) to collect land rent, and then proposes to collect half of this amount on behalf of Canadians (at the federal level of government) with the goal of “eliminating all taxes on incomes, business and consumption”. This goal would also be

achieved by collecting other forms of rent, in lieu of the existing tax structure (natural resource rents, Tobin tax, and more).

This article is far more focused in its assessment and application of updated land rent collection. I propose that a moderate LVT be applied toward financing a UBI. In 2017, Flomenhoft proposed a 5.5% LVT for Australian residential, rural and other land, and a 6.5% LVT for commercial land, in alignment with Georgist economics principles.

Flomenhoft writes:

Residential land comprises 75% of the total land value in Australia. ...The long-term trend of land prices is somewhat higher than 5.5–6.5% in Australia. From June 2014 to June 2015, land value increased from \$4197.3 billion to \$4722.2 billion for an increase of \$524.9 billion, or 12.5%.⁴ According to the HSBC, Australian home prices have risen 24% in the past 3 years, with Sydney jumping by 39%.⁵ The long-term trend is shown in Fig. 4.2. Total Australian land values increased from \$665.1 billion in 1989 to \$4267.5 billion in 2014 for a total increase of 541.6%. On an annual basis over 25 years this amounts to a long-term trend of 7.72% increase per year for all land. Fitzgerald calculates potential land rent of \$206.01 billion on a total land value of \$3.684 trillion using the 5.5–6.5% rate. Existing land taxes are estimated at 2.5%. Subtracting existing revenue from estimated land rent leaves a total of \$113.9 billion in annual land rent available for BI.

The latest figures available for Canada give us a land value figure of \$4.472 trillion for Q1 of 2020. An LVT of 5.55% applied to this amount equals \$248.2 billion. Taking half of this amount (or taxing at half the rate [2.78%]) in alignment with Flomenhoft’s work above and Earthsharing Canada (Henry George Foundation of Canada) provides \$124.1 billion in annual revenue.

The differential between residential/rural and commercial LVT rates (5.5 – 6.5%) can be further differentiated and made progressive, thereby lowering the impact on owners of modest homes and progressively collecting more of available land rent from owners of multiple and luxury properties for instance, as well as from corporate-commercial holdings of the largest and most profitable businesses.

This is a significant amount of revenue available to finance UBI in Canada, by collecting a small portion of previously foregone land rent. As noted in *The Economist*, land value taxes lack the “perverse effects” of many other forms of taxation – “They cannot reduce the supply of land, or distort decision making. Instead they may even stimulate economic activity, by penalising those who hoard land... (a big plus in desolate post-industrial cities where much land is vacant).” *The Economist* also writes that collection of LVT “is cheap. Unlike profit, you cannot massage land away or move it to Luxembourg.”

The implication for America is, given the transformative presidential campaign of Andrew Yang and his signature campaign policy of the Freedom Dividend (universal basic income), this represents a major and comparatively non-controversial source of public revenue for such a project, particularly if structured progressively as outlined above. This is also a proposal with deep American roots, and a very popular American economist and social philosopher at its source.

To read Richard's article in its entirety, visit www.Schalkenbach.org.

EDUCATION (CONT.)

This is all predictable by Ricardo's law of rent, of which George made extensive use: "The rent of land is determined by the excess of its product over that which the same application can secure from the least productive land in use."

If residence on a particular plot of land entitles a family to a public education that's worth \$10,000 a year, compared to the education to be had at an inferior school, the potential rent on that plot rises accordingly. Like any inequality in U.S. society, this one also has profound racial implications. Suffering from decades of redlining and de facto segregation, and still facing discriminatory practices in housing lending, Black families are much less likely to be reaping the benefits of this unequal rise in the value of land near the highest quality schools, because they are far less likely to own land in those neighborhoods (and if they rent their homes, they may find themselves displaced by rising rents, so that their enjoyment of the gains is temporary).

Moreover, the unequal quality of public schools serves as a geographical gatekeeper, making economic mobility difficult because geographic mobility is so difficult. As with the segregation of a previous time period, there are both legal and market forces at work here. While the market and law of rent ensure that land prices are higher in proximity to good schools, zoning and density rules also conspire against renters. According to a study by the Brookings Institute, there are 30% fewer rentable units in the proximity of very good schools, and zoning is a significant contributor to the geographic disparities in education quality. Thus, the upper middle class and wealthy landowners are able to leverage both land monopolies and control of local zoning to parlay inequality between schools into a massive human capital advantage for their children.

Which brings us to the threatened withholding of Federal funds, which would only exacerbate an already bad situation. In most cases, local funding for schools is highly regressive – districts attended by poorer students tend to have less money. State and, especially, Federal funding is more progressive, targeting underfunded districts to make up for these disparities.[3] If Federal funding were cut off across the board, school funding formulas altogether would become far more regressive. The specific threat, however, of cutting off funding to schools that do not re-open might be even more harmful: as COVID 19 has been more impactful in poor and non-white communities, the schools attended by those families are less likely to be able to safely open. An order cutting off funding to specifically those schools would likely create a massive disparity between richer and poorer districts

Even in the absence of such dramatic action, however, the question remains – what is a Georgist response to the current school system? A relatively mundane Georgist reform, shifting property taxes to land taxes, would likely have a salutary effect; efforts to decrease the equality gap between **(Cont. Page 9)**

RIGHTS (CONT.)

For the founders, property refers to physical goods and the fruit of one's labor and encompasses life, liberty, and the pursuit of happiness. They assumed, like philosopher John Locke, that the protection of property rights benefits all by increasing the incentive for producing goods and delivering services desired by others.

The benefits of property rights, though, are not only pecuniary. Protection of property rights is also central to the effective exercise of positive rights and to the pursuit of happiness in family, community, and worship.

Not least, the right of private property sustains a sphere generally off limits to government, a sphere in which individuals, their families, and the communities they form can pursue happiness in peace and prosperity.

This document is intended to be universal in its scope and application, and even to supplant the United Nations credo, formulated 70 years ago, that property is a unique and largely Western concept. Ownership of property (typically assumed to be land in fee simple) is really a product of some four centuries of colonialism. Certainly, our native American populations had no such notions of property. Chief Seattle observed that "Earth does not belong to us; we belong to earth. Take only memories, leave nothing but footprints." Accounts of Near Eastern societies, as well as Asian and African civilizations, make clear that the idea of land titles, as we know them, and where they exist at all, are a recent import. We need to better identify the extent to which land as property is understood elsewhere in the world.

The question, then, is the extent to which landed property titles can be viewed as legitimate at all, anywhere. If all land traced back is "owned" by either force or fraud, what restitution should be proposed? And to whom is it owed? Moreover, if a system of reparations or compensation is instituted, who should devise the solutions? **(Cont. Page 10)**

"It is time to admit an uncomfortable truth. Economic concerns do not drive fear of immigration. The changing face of America's demographics drive that fear."

EDUCATION (CONT.)

schools could also have broader impacts on the nature of rent in the US and could thus be justified on Georgist grounds. However, it is important to recognize that these efforts are just a beginning – ultimately education itself is not a sufficient remedy for the problem of poverty; rather, the elimination of poverty will be the key to solving our educational dilemmas.

Shifting property taxes – which currently fund schools – to land taxes is probably the simplest proposal in the Georgist playbook, but even it would have major impacts on urban geography and thus on school system. Currently, building land-efficient multi-unit housing incurs substantial tax costs compared to a single-family home or infill apartments (like a duplex), because the cost and thus value of such a building is higher[4]. Since most jurisdictions levy taxes based either on the estimated cost of a property, or the revenue it is expected to generate, precisely the sort of development that could increase the number of rentable units in desirable neighborhoods and potentially drive down costs (or at least mitigate the impact of land rents on housing costs) is effectively penalized. If this were reversed, and instead taxes fell most heavily on properties that used a large amount of valuable land, regardless of structure value, there would be an incentive to develop these lots more intensely and indeed for landowners to lobby for looser zoning to do so. An increase in the number of rentals & shrinking the size of lots would bring populations physically closer together.

In the short term, this would remove some of the barriers to families moving closer to ‘good’ schools; in the longer term, it could actually make a choice in enrollment between various schools possible (because the denser population could support several schools within a reasonable travel distance). However, this direct application of Georgist tax policy could only have limited direct impacts on educational equity – the deeper problem of will remain in the inequality of the society the students themselves live in.

My personal experience of this came from 2010–2013, when I worked as an academic tutor in a program designed to help improve outcomes for Native American students in my hometown of Helena, Montana. The increased resources made available to students as part of the program certainly helped some – there were almost certainly students who graduated and continued their education who would not have been able to without the increased assistance. But it also showed the limits of what even a good educational system can provide – students whose lives outside of school are complicated by homelessness, incarceration, violence, substance abuse, and both systemic and personal racism require nearly super human dedication to succeed academically, regardless of the resources provided.

Some commentators, especially but by no means exclusively cultural conservatives, are wont to blame the community problems which drag down students on ‘culture’. ‘If only’, they muse, ‘these students had fathers in the home, good role models, they would be able to take advantage of the resources available to them.

This is a distraction, the description of a symptom, not the illness. Henry George noted that the origin of many of the problems we still see today is our economic system, writing that infant mortality, alcoholism, crime, and the policing used to control it were all “items in the sum which the present unjust and unequal distribution of wealth takes from the aggregate which, with present means of production, society might enjoy.” George’s answer to these cultural problems is straightforward (and flies straight in the face of these ‘cultural’ explanations): “To make people industrious, prudent, skillful, and intelligent, they must be relieved from want.”

What does this mean for our education system? That it simply cannot do the heavy lifting on its own. It cannot, alone, lift students out of poverty, at least not on a societal scale, if the rest of the economy is engineered against them. A broader application of George’s ideas is needed, one that undercuts the foundations of inequality. Fortunately, the formula George (and others) has provided offers a roadmap. Capture land rent, which currently enriches a wealthy and overwhelmingly white section of society, and use it for the public good. This can make particular progress in reversing racial inequality, since land value and other kinds of rents make up such a great portion of the racial wealth gap and, as discussed above, are particularly used to gatekeep quality education. Taking these rents and investing them into communities is the surest way to relieve people from want. If we believe, as educational proponents proclaim, that change begins with children, we need to relieve children and parents from want. We can do this by making housing, healthcare, and food easily accessible for every child in the country – paid for by these publicly captured rents.

In summary, a Georgist response to the failings of the U.S. education system must address three timeframes. Today, we must ensure that our education funding does not become suddenly (more) regressive – which would be the inevitable result of a stoppage in federal funds due to a proposed COVID re-opening policy. The next priority should be to make local taxes more rational, by replacing property taxes with land value taxes. This better funds education and allows for a fairer housing market to improve access to good schools. Finally, our long-term goal, as it ever is, must be to eliminate poverty. Only by removing this burden from the shoulders of our disadvantage students can we truly unleash their potential and make room for education to be a transformative tool in their lives.

RIGHTS (CONT.)

Henry George argued that no titles should exist for any property not made by human hands or minds. Such ownership should be in usufruct only, a claim not unique to Western thought. Jefferson and other early colonial settlers understood this. Here, because it's not often referenced on the subject, I quote Benjamin Franklin:

All Property indeed, except the Savage's temporary Cabin, his Bow, his Matchcoat, and other little Acquisitions absolutely necessary for his Subsistence, seems to me to be the Creature of public Convention. Hence the Public has the Right of Regulating Descents & all other Conveyances of Property, and even of limiting the Quantity & the Uses of it. All the Property that is necessary to a Man for the Conservation of the Individual & the Propagation of the

Species, is his natural Right which none can justly deprive him of: But all Property superfluous to such purposes is the Property of the Publick, who by their Laws have created it, and who may therefore by other Laws dispose of it, whenever the Welfare of the Publick shall demand such Disposition. He that does not like civil Society on these Terms, let him retire & live among Savages.— He can have no right to the Benefits of Society who will not pay his Club towards the Support of it.

Secretary Pompeo and his fellow Board members of the Commission on Unalienable Rights would do well to heed this observation. Together with the writings of Henry George, we have principles and practical answers for a sounder approach.

FEAR OF THE FOREIGNER (CONT.)

I believe that its primary source is economic. The refrain "They're taking our jobs" makes that clear enough. (It's true that many people also fear the stranger simply for being different, whether on religious, political, cultural or racial grounds. Such identity-based xenophobia, I believe, is secondary. Certainly, it is exacerbated by economic fear.)

The economic fear at play here is the fear of losing jobs to the foreigner. What is this, essentially, but a belief that the amount of employment in our country is at any given time fixed in extent; that the addition of more people to the labor pool must make the search for employment more competitive; and, where the rate of employment is low, must throw people already in the pool out of work? This worldview effectively espouses the theory that is known to economists, if not to the public at large, as the Wages Fund Theory. That theory posits that the ultimate source of wages is a fixed fund of capital set aside for their payment.

I have read the writings of the 19th century thinker and reformer Henry George. Because of this, I understand that the economics-based fear of immigration is unfounded. The evolution of George's own thinking on the subject is instructive.

Early in his writing career, in an op-ed published in the New York Tribune in 1869, George railed against Chinese immigration. In the first half of that piece his argument was mainly economic, and grounded in the Wages Fund Theory. After observing that Chinese laborers were willing to work and live more cheaply than Americans, he wrote: "It is obvious that Chinese competition must reduce wages, and it would seem just as obvious that, to the extent which it does this, its introduction is to the interest of capital and opposed to the interests of labor."

A year or so after George wrote those words, however, he had the great central insight that changed his life and made him a household name around the world. That insight, which lies at the heart of his writing and public speaking, and is

li inherently global, is that it is the monopolization of land through private land ownership that is the injustice that forces the base level of wages down to the starvation point - even as civilizations advance in their ability to produce wealth. But a spin-off of that insight was that George realized that the Wages Fund Theory, popular as it then was (and continues to be), is erroneous.

At the beginning of *Progress and Poverty*, his seminal work, George shows that the way that wealth is produced and the roles that land, labor and capital play in its production debunk the Wages Fund Theory. And in an essay he published in May of 1888 he put it this way:

"If it seems that there are too many people here already; if it seems that new comers must swell the ranks of those who cannot find employment, and increase the intensity of that competition of mere laborer with mere laborer, which in all occupations produces a constant tendency to the lowering of wages, the fault lies in something which produces its effect on those already here and would continue to affect them if immigration were to cease -- in our giving to some men the absolute ownership and control of the natural element on which and from which we all must live. The restriction of immigration would do nothing to right this fundamental wrong. Its agitation would have but the effect (and, in large part, this is the conscious intention of those who advocate it) of diverting the popular mind from the only path by which the emancipation of labor can be reached."

I think that is exactly right. The writer Toni Morrison said in a different, albeit related, context that "the function, the very serious function of racism ... is distraction." In requiring you constantly to validate your existence, she explained, it "keeps you from doing your work." So, too, for xenophobia. In focusing our fears on the foreigner, we are diverted. We would do better to attend to the real threat to our wages and employment, one that is impervious to border control.

ECONOMIC EQUITY (CONT.)

Through most of human history, it could be said that there has always been a free lunch. With a modest amount of labour, hunting and gathering societies secured food and shelter, and until the modern era, agricultural land was available for little or no cost.

My parents immigrated from the Netherlands to Canada in 1950, got menial jobs, and in 1955, bought a modest farm. We missed the pioneer era of free farmland, so our lunch wasn't free. But, with hard work, we repaid the mortgage and lived well. Essentially, the land provided.

Most farmers in the 50s and 60s owned a 100-acre farm. No one rented land, so we all rose with the market. No one became rich, but no one was poor. Our family pocketed the imputed rental value of our land, untaxed, as did every other farm family. We effectively received a Universal Basic Income. Andrew Yang's dream was my family's reality.

But, as teenagers, me and my friends noticed poverty in our local town. The landless and jobless dressed poorly, had no vehicle, walked with bowed heads. They didn't get much lunch, free or otherwise.

By the late 1960s, my siblings and I were part of rural depopulation to cities, where, rather than collecting unearned income, we provided free lunches to landlords. After many years of hard work, some of my siblings managed to buy houses. Once again, they rose with the market, collecting their basic income in the form of rising land values. The rest of us, unable to afford houses, helped provide others with a "basic income".

Roughly one-third of the Gross Domestic Product (GDP) in every economy is economic rent, also called unearned income or the unearned increment. Economic rent is revenue without a corresponding cost of production. It accrues to desirable, non-replicable assets like land, non-renewable resources, the electromagnetic spectrum, scalable internet platforms like Facebook, Google, and Amazon.

Every citizen has the right to their share of the unearned income, either in the form of government services like healthcare, education, roads and police or as a UBI or "citizen's dividend". The dollar value of the payment would be calculated by the number of citizens divided by the rental value of all rent-producing assets. When a young person reaches adulthood or an immigrant becomes a citizen, they would begin receiving their share.

At the same time, income that is earned through investment, innovation or value-added should stay, untaxed, with the person or business that earned it. Government services would be financed by economic rent capture in lieu of taxes on jobs, business or sales. In my opinion, people with jobs shouldn't be taxed to pay for people without jobs.

Might is no longer right — nor is might necessary — in an equitable society. Everyone will benefit financially when no one lives in poverty and when entrepreneurialism is no longer burdened by taxation. The acknowledgement of full entitlement for each citizen will spur civic pride, empathy and inclusion and defuse racism, sexism and intolerance.

There should be no need to grab for food at a rich person's table. If we correct the ship, there will be enough for all.

“Freedom is not a state; it is an act. It is not some enchanted garden perched high on a distant plateau where we can finally sit down and rest. Freedom is the continuous action we all must take, and each generation must do its part to create an even more fair, more just society.”

—Congressman John Lewis



WHAT'S NEW

Tax Shift Explorer GIS Mapping Tool Launching This Month

The Center for Property Tax Reform (a joint effort of the Robert Schalkenbach Foundation and the Center for the Study of Economics) has developed a Tax Shift Explorer mapping tool which will launch in Philadelphia later this month.

The new mapping tool allows users to explore the on-the-ground effects of changing the proportion of property tax liabilities that derive from land values versus the assessed values of improvements. Under all scenarios, total city tax revenue is held constant at its current level, but by mathematically shifting the percentage of parcels' tax bills that comes from these two components, tax liabilities change at the level of individual properties, and overall trends become discernible in particular neighborhoods, parcel classes, and more. Hence, changing the ratio of land to improvement value has real world equity impacts, and can help bring about desired community outcomes, like making it easier for lower income households to remain in place and stimulating investments in local businesses.

You can check out the GIS Mapping Tool at: <https://taxshiftexplorer.org/>

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