

The NEW LEAF

"EQUAL OPPORTUNITY FOR ALL" SPECIAL PRIVILEGE FOR NONE

Volume 3, No. 10

Published by Land Equality And Freedom

December 1978

Georgist Wins California State Assembly Seat

San Francisco, Calif.: November's general election was a healthy sign for Georgist in California when LEAF President Dr. William Filante upset incumbent Assemblyman Michael Wornum.

Filante will replace Wornum, whom Filante beat with 55 percent of the vote. The Ninth District includes all of Marin County and the southern portion of Sonoma County. The cities of San Rafael, Sausalito, Mill Valley, Tiburon, Novato, Cotati and Petaluma, among others, are also included.

Filante based his campaign on the need for limited government spending, an end to tax subsidies for boondoggles and land speculators, and the need for special land only benefit assessment districts.

Filante has taught environmental economics, practiced medicine for many years, was elected to the College of Marin Board of Trustees, was past president of the California Home Owners Assn., and past president of the Marin County Municipal Water District. Bill has spoken at many Georgist gatherings, including the recent national conference at Bryn Mawr College, and has emphasized the need for direct political action, and the understanding of alternative political means toward fundamental tax reform.

Bill will have offices in Petaluma, San Rafael and Sacramento, and has hired Mr. Terry Newland, recently Executive Director of LEAF, as his Administrative Assistant. John Valencia, who directed the campaign for Assemblyman, will assist Dr. Filante at the state



Leaf President Dr. William Filante, newly elected Assemblyman for California's Ninth District.

capitol.

Upon his departure for a much needed and hard earned vacation in Hawaii just after his election on Nov. 7, Dr. Filante said, "I am looking forward to serving my constituency for the next two years, and will continue to work for fundamental tax reform in California. I would like to thank the many LVTers and LEAFers who supported me in this campaign."

There is little need to mention the importance of having representatives in State government who understand the underlying realities of tax and land reform; Bill Filante hopes to promote an end to unfair taxation, subsidies for land speculators, and the misuse of our finite resources.

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Centennial Celebration

LEAF along with the Henry George Foundation, the Henry George Institute, the Henry George Schools of Social Science, the International Union for Land Value Taxation and Free Trade and the Robert Schalkenbach Foundation, are sponsoring the Progress and Poverty Centennial Celebration to be held in San Francisco during the week of August 20-25, 1979. We are working to make this the most successful Georgist gathering in many years

and ask for your support and suggestions. The Conference theme will be "100 Years of Progress and Poverty." We will have many speakers, workshops, seminars, presentations and excursions. Plan to be with us. You can submit your suggestions for the celebrations to: Terry Newland, 3098 California St. No. 26, San Francisco, CA 94115, c/o the Centennial Celebration Committee. We look forward to hearing from you.

Unreluctant Georgist

This is quite belated, but I feel that if none of us Georgists answer challenges to Georgist thinking, such as those made by Reluctant Georgist Phil Shafer, in the August *NEW LEAF*, readers who are not already steeped in Georgism will think we do not have answers. If you choose to publish what I have written, it could be as a letter to Dear LEAFers or as an article with a title, such as Unreluctant Georgist.

It appears that Reluctant Georgist, Phil Shafer, is telling us in the August issue of *NEW LEAF* that we Georgists are likeable but confusing and unconvincing. I must admit that some things my fellow Georgists have said confuse me, too, and not everything they say would convince me, if I were not long since thoroughly indoctrinated.

I am not reluctant. I am a dyed-in-the-wool brought-up-at-my-father's-knee Georgist. I am anxious to help dispel Phil Shafer's reluctance.

I agree that spending time on Malthus 100 years after *Progress and Poverty* is a waste of time for Georgists. But upon reading what Henry George said in *Progress and Poverty* about Malthus, I can understand why he had to refute a popular doctrine which erroneously placed the blame for increasing poverty on the inevitable consequences of population growth instead of on the malfunctioning of the institutions of man and on the injustice of the private ownership of land without recompense to the people.

Malthus was wrong. One hundred years ago the population increase was not threatening to "press against the limits of subsistence." Even today with more than three times as many Americans and an even greater increase in world population the Malthusian doctrine does not ex-

plain the continued increase in poverty. We do have to worry about when we will run out of fossil fuel and how to stop

polluting the environment, but those worries about what will happen do not explain what has happened to the economy.

It is a simple fact that every new mouth to feed brings a new pair of hands to till the soil. Given free and equal access to the face of the earth to obtain the raw materials and to have a place to live and to work an increasing population can expand its standard of living. The population, our standard of living as applied to the average have risen, in spite of the maldistribution of wealth.

The problem is distribution, not total productivity. The poor continue to get poorer and the rich to get richer. The welfare load is higher than it ever was. Unemployment has reached tragic proportions. The only reason there is not mass hunger and even starvation is that the government confiscates enough from those who produce to feed those who do not—a process which fosters further unemployment by after making it more advantageous not to work than to work.

We Georgists should stop attacking the Malthusian doctrine, not because it has anything in common with Georgism, but because Henry George disposed of it 100 years ago in *Progress and Poverty* and because it is not presently widely known or used as an argument against land-value taxation.

I have to agree with what The Reluctant Georgist says about whether the land tax is any less able to be passed on than any other tax. It seems to me that any merchant who does not first of all collect enough from his customers to pay his land rent is crazy, whether he pays the land rent to a landlord or to the government.

Perhaps what they mean is that if we had a 100% land-value tax, the landlord would have to turn all the land rent he collected over to the government and if he raised the land rent, he could not keep the increase for either. Nevertheless, he would pass on to the tenant the land

rent cost as well as the costs associated with the building and its maintenance.

It should be noted that, while

100% land-value taxation takes all the profit out of holding land out of use, it does not take the profit out of using land productively. Nor will the value of the better land and the consequent tax on it ever rise so high, in a market free of the restraints of land monopoly, as to destroy the incentive to use the better land in preference to the poorer.

Yes, indeed, we Georgists do argue that unearned income from owning land is unjust. It is unjust because land rent rightfully belongs equally to everyone. Land rent that goes into private pockets robs the people.

Why don't we object to unearned income "otherwise attained"? Well, what other ways are there to obtain income that is unearned?

You can steal it, but that is illegal when an individual does it and we Georgists do not recommend that. But taking away a part of a person's hard-earned wages to replace the land rent others should be paying as a tax is legalized stealing by the government. The government, under the present system, not only robs the people by failing to collect for them the land rent as a tax but also robs those who work of the products of their labor.

You can be given gifts. But gifts take nothing from anyone who does not willingly part with it.

You can win bets, but gambling profits are derived from willing participants who take chances knowingly.

Profits from the stock market? Well, the dividends are earned just as much as the interest on your saving account in the bank.

As for the profits from buying low and selling high, those profits are, to some degree, gambling profits. The betting is on the right stock to win the race instead of on the right horse. Such profits are largely the result of a fluctuating market in a boom and bust economy. If we would correct our unjust tax system, the fluctuation of the economy between prosperity and recession or depression would cease. Profits on the stock market would be based solely on the earning power of the stock. Also the possibility of capital earnings being at the expense of under-paid labor would be eliminated by the elimination of unemployment the establishment of a healthy labor market. Any way you figure it, profits in the stock market, even if you argue that some of them are unearned, do not rob the people and there-

(continued on page 4)

Interesting Notes ...

Media Foundation for Land Economics Inc. is a recently chartered organization with plans to start a magazine newspaper syndicate to publicize the Georgist movement. President Newcomb reported on the foundation's achievements to date and future plans at the joint Georgist Conference at Bryn Mawr on July 3. Media Foundation would appreciate any support. Contributions can be sent to Media Foundation, 532 Wickham Rd., Melbourne FL. 32901.

LEAF's San Diego branch has weekly Thursday night showing of the film "For the Land is Mine" at the Abraxas Experi-

mental High School. Be sure to see it.

If you have recently moved or are going to move! Please let us know the new address — we like to keep in touch.

Any and all contributors, be sure and keep the New LEAF informed of any Branch News.

LEAF film "For the Land is Mine" was shown to an audience of 500 in England recently, thanks to Jubal.

Also thanks to LEAFer Ernesto Lousten in Mexico City for several showings at the University of Mexico. We hope to have a Dutch and Spanish speaking version soon.

Who Owns the Land?

By Mark Truver

As our nation appears on the verge of housing shortages, increased slums and urban sprawl, we must soon face the reality of a responsible, decisive urban policy. As the need for affordable housing increases, those involved in solving the problem have indicated that the urban problem is linked directly to land ownership. A recent Chicago Tribune article provided an interesting insight into the difficulties of establishing a coherent complete picture of who indeed owns the land.

We need effective ownership disclosure laws, standard accounting for land and natural resources . . . and a method to insure that publicly created values are returned to the public.

Historically, millions of acres were awarded to railroads, public utilities, political figures, and industries responsible for opening up the Western United States for settlement. As the fates of these individuals and companies rose and fell it became nearly impossible to keep track of deeds and records of ownership. This is compounded today in that most states do not have laws requiring disclosure of ownership or an accurate statewide compilation of ownership by utilities. Banks, savings and loan associations, and insurance companies have formed holding companies which enable them to enter into direct land speculation, ownership and development in spite of laws designed to prohibit such activities on the part of organized financial interests.

As more and more public attention is focused on land problems (zoning conflicts, ur-

ban planning, rent control, urban renewal, urban sprawl, spiraling home costs) more and more radio, T.V. and news articles are devoting space to muddling or clarifying the issues. Representative of recent and yet geographically widely separated land questioners are the following lead articles; Chicago Tribune Aug. 1978 "Who owns the land?", San Francisco Press Aug. 1978 "Whose land is this anyway"? and The Lutheran Standard, April 1978 "This land isn't ours".

These are healthy signs of a growing and vital rebirth of interest in a fundamental aspect of daily economic and social life.

We need effective ownership disclosure laws, standard accounting land and natural resources within our local, regional, state and nation boundaries.) and a method to insure that publicly created values are returned to the public. Congress could do a real public service by addressing this need and providing a coherent framework where in this need could be met. Modern technology utilizing computers and information retrieval makes the task achievable and realistic.

The problem of decent housing at affordable prices is more evident today than ever before. There is one basic solution and land is the key.

Although the cost of construction is basically the same from place to place, the price of housing varies greatly with location. To insure lower prices and higher quality, the supply of housing must exceed the demand. Taxing land, not buildings, will provide more and better housing at lower prices.

All natural resources are the common property of mankind. They are the gifts of nature some

would say, "God given or created". No man can lay the same absolute claim of ownership to land that he can to something which he himself created. Landholders are trustees—not lords. Homes, apartment, and buildings are not natural resources since they are created and fully in the realm of private property. The land under an apartment is a "natural resource", but the apartment is not.

Increasingly, apartment owners can, and do charge rents that tenants feel are excessive and unjust. This, along with the feeling of outrage stemming from windfall profits to apartment owners, arising out of Proposition 13 legislation, has many tenants feeling double-crossed. Now, tenants not only face elimination of many government services previously enjoyed, but higher "non-tax" charges for fundamental services that were formerly paid out of general revenues.

The tenant need not remain forever at the mercy of the landlord if governmental policy would permit taxation of the land rather than the buildings on the land. This would stimulate the construction of more and better housing while at the same

time make land owners more willing to let the land be used for apartments and homes.

Increasingly, apartment owners can and do charge rents that tenants feel are excessive and unjust.

Common sense and experience indicates that taxing the land will stimulate the sale of it on the market so that it can pay for itself. By the same token if the government removed the tax on buildings there would be no penalty for those who created more homes and apartments. It would thus make the business of home and apartment ownership more attractive and land speculation less attractive, especially vacant non-productive land ownership. More apartments, of course, would lead to direct competition for "renter's" dollars, followed by a lowering of rents.

So long as public policy emphasizes taxing that which is produced on and from land but NOT land, the problem grows. Urban sprawl and urban decay are fraternal twins, born of the same seed, but unrecognized by the general public.

"GATHERED LEAVES"



Summer Conference at Bryn Mawr College in Philadelphia brings diverse LEAFer's together from 24 states. (L to R) Diane Mull (Georgia), Dan Sullivan (Pa.), Anthony Meis (N.C.), Lancaster Greene (N. Y.), William Newcomb (Florida), Tony Earle (Minn.), Dr. Steven Cord (Pa.), N. Y.),

Scattered Leaves

UNRELUCTANT GEORGIST (cont.)

fore we Georgists do not condemn them.

I cannot conceive of a Georgist or anyone else arguing that there is an unlimited amount of land. Obviously the area of the earth's surface is fixed and the part of it that is life supporting has a definite limit. Perhaps the Reluctant Georgist is confused by our insistence that we are as yet far short of reaching the limit to the earth's surface's ability to support the population that exists. But, because of a system which permits a few to prevent the many from having access to the best of the land unless they pay tribute for it, there appears to be a shortage. We simply insist that the unavailability of land and natural resources that appears to exist is artificial and of man's doing. There is an ultimate limit, but the immediate problem is an artificial limit.

And finally about government. It is true that the Henry George system of land-value taxation needs a government of the people, by the people and for the people to be custodian of the people's property. The land belongs to the people, not to a king or a dictator. We have to assume that the American system provides a government that does represent the people, even though not perfectly.

We are now trusting the same imperfect government to spend a third or more of our hard earned income, why can't we trust it to handle a comparable amount of the justly collected unearned income from land?

Mr. Shafer decries what he calls shifting from the private concentration of power to government concentration of power. Does he not see what colossal concentration of power in government has already taken place? Doesn't he know that it is the private concentration power in the hands of a few that has taken government power away from the people? The Georgist proposal would concentrate the power back in the hands of the people.

It is ironical that Mr. Shafer worries about the government collecting the "awesome value of economic rent" while many of our critics and even some professed Georgists doubt whether that "awesome value" would be sufficient to operate the government.

Perhaps by now the Reluctant Georgist thinks that the reason he never met a Georgist he didn't like is because he didn't meet me! Or did we meet at Bryn Mawr? Anyhow, Mr. Reluctant, if you like us that much, please quit holding back! We need you!

Lawrence D. Clark, Sr.

Welcome to new members Louis Cardon and Kerry Jones in the Cedar City, Utah LEAF Chapter. (Incidentally, Kerry is a past Mayor of Cedar City and to whom we look for some political leadership in the future.)

Congratulations to LEAFer Jerry Medowar on his election to President of the Merrik N.Y. Chamber of Commerce.

Thanks to John Birger, for hosting a LEAF meeting in Minneapolis, Minn. on Oct. 17 1978 on California's Prop. 13.

John and Ann Birkes, with children James and Fiona of Nottingham, England visited Mr. Everett Seeley for a pleasant vacation in the U.S. Mr. Birken was very interested in the LEAF organization and philosophy. Along home with him in his suitcase went a copy of Progress and Poverty.

LEAF V.P. Steve Cord, continues to excell in writing LEAF's "Incentive taxation."

Gov. Milton J. Shapp (Penn) office wrote that he was very much impressed with "Inc Tax" and subscribed for not only future issues but requested issues for the past two years. Congratulations Steve!

The San Francisco LEAF Club held an open house Sun. Oct. 8 at the Holiday Lodge in S.F. with Terry Newland, the National LEAF Executive Director, as Master of Ceremonies. Aalong with a buffet dinner, guests heard four interesting talks by Mr. Eric Moneur, candidate for S.F. assessor; Mehgin Tideman from the National Irist caucus; Mrs. Chandler, Historian and Dr. William Filante, President of LEAF National and new State Assemblyman, 9th Dist., California.

Membership Form

You can count on me as a LEAF member at the level checked below:

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