

Incentive Tax League

Delaware Valley Chapter 616 S. 10th St. Philadelphia, PA 19147 (215) WA3-7793 or (215) HA4-6479

President: Richard L. Biddle Vice-President: Donald E. Hurford Sec.-Treas. & Counsel: Patricia A. Lowe

September 4, 1980

Jude Wanniski, President
Polyconomics, Inc.
66 Macculloch Avenue
Morristown, NJ 07960

Dear Mr. Wanniski:

Given your intense involvement in "Presidential politics", I thought you might be interested in the enclosed letter the "Incentive Tax League" has delivered to each of the candidates running for election. The response received from each individual will play an important role in our determination of which candidates' economic advisers are most likely to support substantive tax reform.

Those of us involved in the effort to introduce property tax reform as a method for solving many of the financial and social problems of the urban centers fully realize that the center of political power in our nation rests with the large individual and corporate land-owners. Ironically, as a result of a system of taxation which places the burden of taxation on the forces of productivity rather than on the relative nonproductive process of holding large (or strategically-located) tracts of land, an artificial cap has been placed on the competitive market. For this reason, there is unquestionable evidence that free trade and an indexing of the income tax will provide only partial and short-term relief from economic fluctuations.

On the subject of the social impact of "land value taxation" there is, of course, no better source of thought out reasoning than Henry George, himself. In discussion of the modern economic model, the most thoroughly versed academic in this area might well be Mason Gaffney, at the University of California, Riverside. The enclosed article, entitled "Better Assessments for Better Cities" (prepared in 1970) presents, I believe, a rather convincing argument for the land value tax proposition and includes a number of comments on the matter by Professor Gaffney.

3059

Jude Wanniski, President
Polyconomics, Inc.
Page Two
September 4, 1980

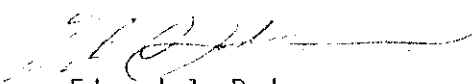
An additional article of particular value is also enclosed, written by Arthur Becker of the University of Wisconsin. "Full Employment Without Inflation" is the economic utopia our nation's political leadership has searched for, largely without success -- perhaps because the solution involves not the redistribution of wealth; more importantly, perhaps the redistribution of power!

Over the Labor Day weekend a "Joint Georgist Conference" was held in the Georgist's new headquarters in New York City. During one of many sessions held on the political economy, representatives of each Presidential candidate (other than Mr. Reagan) discussed their candidate's economic perspective. Along with a copy of Henry George's "Progress and Poverty", we also gave them our "Open Letter". Thus far, only Congressman Anderson's campaign staff has responded; unfortunately, the intellectual depth of his staff was limited to a timid explanation that a shortage of funds prevented adequate analysis and they chose to enclose some substantially innocuous campaign literature.

Sometimes I wonder how we have survived as a society this long. Have we learned nothing from the lessons of history?

I hope that this material will provide a basic foundation for further study on this deeply structural economic question. Please feel free to contact me at my office (215-585-6071) or through the Incentive Tax League for any additional material or data you think may be of value.

Sincerely,



Edward J. Dodson