

# Equal Rights

To The Earth's Resources

Fall 1985

## Why Common Ground?

"What, another Georgist organization? Why do we need it?"

I remember that in the past few months I have asked this question myself, and I am sure many other Georgists are doing likewise. For a long time, I was lukewarm to the idea, and I was wrong. Here's why:

- We need an organization whose main focus is to recruit non-Georgists into our ranks. The only way to do this is via direct mail, just like all the other public interest organizations, whose appeals for funds find their way into our mailboxes. These recruits will not likely be 100% Georgists at first, but after signing up with us, receiving our literature and working with us, we could hope they will move upward to the 100% status. None of our other organizations are currently engaged in this task.

- The recent national Georgist Conference in St. Louis demonstrated that there is considerable support -- enthusiastic support -- for the new organization, now to be named **Common Ground**. Members were signed up, speeches made, meetings held, and Marion and Stanley Sapiro pledged \$100,000 to get the new organization going! Arch Gerard, the retired Marine colonel, added \$20,000 to the Sapiro amount, and there were other contributions made, so **Common Ground** moves off center and has been converted from a mere letterhead

organization to a true action organization ready to do battle in the Real World -- ready to effectuate its mission. Another major Georgist organization has been launched!

- CSE/HGFA has offered to join its office staff and organization to **Common Ground**. There will be no duplication, no proliferation, of overhead. Georgists are encouraged to support **Common Ground** by giving at least the basic membership fee of \$25 to CSE/**Common Ground** if they want to receive a tax deduction, or to HGFA/**Common Ground** if they would prefer not to have their membership contribution limited to educational purposes only. All funds so received will be clearly earmarked for the use of **Common Ground**, and the following are some of the activities which will be sponsored by the new organization:

- CSE/HGFA will fund a pilot membership drive via direct mail, with the intention of such an effort becoming self-sustaining financially.

- CSE/HGFA will fund an institutional-advertising campaign, featuring the economic philosophy, offering Georgist literature, with the purpose of interesting non-Georgists in becoming Georgist activists and CG members.

- CSE/HGFA will fund a booklet for **Common Ground** chapters which will

[cont'd on page 6]

## Five-Alarm in Pittsburgh!

Crisis, crisis!\*?!?! A prestigious Mellon-financed governmental research organization in Pennsylvania, the Pa. Economy League, has published a study critical of Pittsburgh's Two-Rate Property Tax. The study maintained that the tax was no cause at all of Pittsburgh's recent building boom following its two-rate expansion, and in addition it burdened poor people with extra taxes.

This is a five-alarm. PEL studies carry much weight and Pittsburgh Mayor Caliguiri has asked for a reduction in the land tax rate. So your organization went into High Gear to produce an objective counterstudy. It involved much research and the expenditure of hundreds of dollars. We came up with something we can be proud of which completely disproves the PEL contentions -- in fact, proves exactly the reverse. Your director publicized these findings in his speech before the Pennsylvania League of Cities Convention last week (we also had an exhibit booth there and talked at some length with dozens of local city officials). We have distributed copies of our study to the media (we warded off one anti-two-rate editorial) and to the Pittsburgh City Council, where we have contacts. So far so good BUT WE CANNOT LOSE PITTSBURGH! The fight will continue.

Adding fuel to our fire will be a forthcoming study by Dan Sullivan and one already submitted by Charles Metalitz of Chicago. We will feed them to appropriate officials in Pittsburgh in the coming months.

## HGFA Mtg. Minutes

59th Annual Henry George Foundation meeting, Sunday, July 21, 1985, Washington University, St. Louis, MO.

Meeting called to order by HGFA president Dr. Steven Cord.

Trustees present: Steve Cord, Claude Arnold, George Collins, Robert Clancy, Michael Curtis, Edward Dodson, Stan Frederiksen, Floyd Morrow, Dan Sullivan, Nadine Stoner, Wylie Young, and Everett Gross.

Trustees absent: Ed Schoyer, Richard Biddle, John M. Kelly of Scranton, Marian Hahn, Mitch Lurio, Frank Nelson, Perry Prentice, and 50-year member John Weaver, and Jerry Schleicher.

Majority of Board present and reelected trustees Cord, Hahn, Dodson, Prentice, Nelson, and Sullivan to three year terms. Everett Gross elected to finish Louis Weitzman's two-year term. Existing officers reelected: Pres. Cord, Honorary VP Agnes de Milie, 1st VP Schleicher, 2nd VP Kelly, Treas. Schoyer, Asst. Treas. Hahn, Secy. Nelson, Asst. Secy. Weaver. Historical marker in front of Henry George birth place received special ceremony some time in November.

In our campaign for a U.S. postage stamp honoring Henry George, we will aim for 1989 biographical series of postal service which will coincide with 150th birthday of Henry George. Postcards should be sent as to why you want Henry George honored in biographical series; Steve Cord plans to go to Washington (D.C.) in August to visit that committee. A history of the Henry George Foundation is being compiled. A paper is on sale at desk on amount of land in U.S. Article in current issue of American Journal that 28% of national income could be raised by a tax on land values. Colin Bonner has donated book marks. Won Washington city last year. Clariton campaign not nailed down; City councils listen but don't do anything, but Steve Cord will try to hit them at the right time. Ad project which will present to you in short order.

President's Report, "Steven Cord -- Partial List of Activities, Jan. - June, 1985," distributed. Two highlights of past year,

[cont'd on page 6]

## "We Need Articles on Economics"

"Social Science" magazine asks its readers to send manuscripts for economics articles to this large-audience publication. It accepts general interest articles, but any Georgist interested in writing for this quarterly should first obtain a copy, or at least peruse one in your library. Send manuscripts to Dr. Panos D. Bardis, The University of Toledo, Toledo, Ohio 43606.

## Readers' Forum

CHICAGO SUN-TIMES, 2/25/85

### Disincentive Taxes

Gold Coast building owners and their banks scream the loudest over real estate tax increases. They have a point in that they have the best kept buildings in Chicago and they are assessed for maintenance, repair and remodeling.

Building owners in other parts of the city who let their buildings decay are rewarded with a lighter tax increase or no increase at all.

Residents have repeatedly asked the Cook County Board to study a system used in Pennsylvania of taxing land from 6 percent to 10 percent and buildings from 1.5 percent to 2.7 percent of honest valuation.

Owners have the incentive to repair or remodel, or build on a vacant lot, without penalty. If they don't want to build, they may sell to someone who will. Their construction is done at no cost to the government, which is the public.

Robert A. King  
11217 S. Champlain Ave.  
Chicago, IL 60628

### A License to Steal!

The odds are 100 to 1 that your pocket, like mine, is being picked by perfectly respectable people who bought from previous owners the legal right to steal, to rob us of our birthright. They are the owners of millions of acres of mineral, farm and timber land - used, underused and unused - scandalously underassessed; of diamond-studded sites in the centers of cities.

Mitchell S. Lurio  
Brookline, Massachusetts

### Lending Library

Want to read a good book? Then ask HGFA/CSE headquarters to lend you its copy of Louis F. Post's "The Prophet of San Francisco" (1926), which was donated to us by Georgist Walter Swanton of Rochester, New York. It makes interesting reading. Please send \$1 for handling costs.

### Readers -- Please Write

We will try to print as many letters as possible within the limits of the space available. At the very least we will summarize all letters received, if addressed to --

The Editor, EQUAL RIGHTS, 580 North Sixth Street, Indiana, Pa. 15701

## Innocent (?) Bystander

by Everett W. Gross

Nearly two months ago, I came upon an article which I have had the best of intentions to check out with a chemist. It is written by a retired mechanical engineer of my acquaintance, and is about a method of obtaining oil from coal cheaply enough to give it away. The method has been known for a century and uses a process involving low-temperature carbonization known as LTC.

Geologists tell us that there are enough coal reserves to last for many centuries. So LTC could dispel the myth that we must forever depend on extortion by the Arabs for our comfort and survival. With LTC, a ton of coal yields a barrel of oil, 3000 cubic feet of rich fuel gas, and 1500 pounds of smokeless solid fuel. The smokeless fuel can either be burned as fuel or converted into four more barrels of oil. The article also states that in addition, the same ton of coal can produce 100 kilowatt hours of electricity.

Ideally, an integrated energy plant would combine a carbonizer, a refinery, a city gas works, and a central electric station. The market prices for the upgraded coal products—gas, electricity, smokeless fuel and pehnols—would let you virtually give the oil away and still net a fair return. The writer insists that there is not the slightest question about its feasibility. One scientist, Lewis Karrick did much to improve the process in the early 1930's. He proved it in

commercial-scale tests on Appalachian coal in 1947, and in eight years of pilot plant testing at the University of Utah. Today, Karrick's method is being demonstrated on a commercial in England, not for making oil, but for producing smokeless fuel. The British plant operates efficiently and causes no discernible emission of either smoke or odor. This is quite a contrast from our wasteful burning of a half-billion tons of coal every year. Calculate the oil and gas which goes to no purpose except to pollute the air. Count up also the jobs lost by idly discarding the chemicals that might be made into plastics and fertilizers, etc.

LTC is ideally suited to private enterprise. The entire energy industry could be opened up to competition of many small producers. Our writer believes this is the reason why the idea has been kept under wraps by Big Oil, Big Bureaucracy, and Big Banking.

In a true sense, our Nation's natural resources, and their best utilization, are really the province of all US citizens. Some experts claim there is no shortage, but is there really enough to waste the way we do?

Ed. - Everett Gross is a long time Georgist, H.G.F.A. Trustee, piano tuner and refurbisher, and contributing newspaper journalist with his own weekly column in the Crete News, Crete, Nebr.

### Back To the Land

Poor Adam! What a plight his must have been --

Alone on earth with neither kith nor kin.  
No capital, no colleges, no law,  
From which men living now their uplift draw.

No one to give him work -- none had been planned --

And no landlord was there to "furnish land!"

Yet Adam prospered and lived long somehow--

Why can't our unemployed do that well now?

From English homes across the ocean came  
The Pilgrim Fathers of Mayflower fame,  
And found employment plenty right at hand  
On what the Lord their God provided - land.  
And likewise rugged Pioneers of the West  
Brought forth Abundance from the earth's bare breast

Unfinanciered, save by the sweat of brow--  
Why can't our unemployed do that well now?

—Horatio

The land shall not be sold forever.

Leviticus 25:23

The earth is Jehovah's.

Exodus 9:29 - Ps. 24:1 - 1 Cor. 10:26

The earth hath He given to the children of men. ---Ps. 115

### Who Pays the Rent?

You may Hooverize the produce and make some simple gains,

You may organize the labor and industrialize the brains,

You may penalize the profits, causing plutocratic pains,

But the Mother of Monopoly is laughing as she reigns.

Rent! rent! who is it pays the rent?

A dozen days in every month the worker's back is bent;

Figure it in dollar bills or work it by percent,

But with his dozen days he pays just rent, rent, rent.

I look across the rented world and idle land I see,

Whose owner doesn't work it, for he's working you and me,

And on the first of every month all tenants bow the knee,

And pay the rent of vacant land, in great or small degree.

Rent! rent! who is it pays the rent?

The worker's hands are busy and the business back is bent;

The idle lands advance in price and every single cent

Of that advance is paid by us in rent, rent, rent.

—Edmund Vance Cooke.

# 70 honor George at Arden

## Single-tax concept wins new followers

By ROBIN BROWN  
Staff reporter

About 70 taxpayers gathered Monday in Arden to honor a 19th-century tax-reformer who would have liked more places to be like the reformist village off Harvey Road, north of Wilmington.

In Arden, as in neighboring Ardentown and Ardencroft, economist Henry George's basic principle lives in the tax system, according to Mike Curtis, who planned the Monday afternoon gathering in the community's open-air theater.

About a half-dozen people from the group intended to continue the festivities honoring what would have been George's 146th birthday on Monday night in Philadelphia, where a celebration was slated at George's birthplace.

Curtis, who is director of the Henry George School of Social Science, said after the Arden gathering that the idea of taxing land, rather than what's put on it, has been a basic practice for those three villages north of Wilmington.

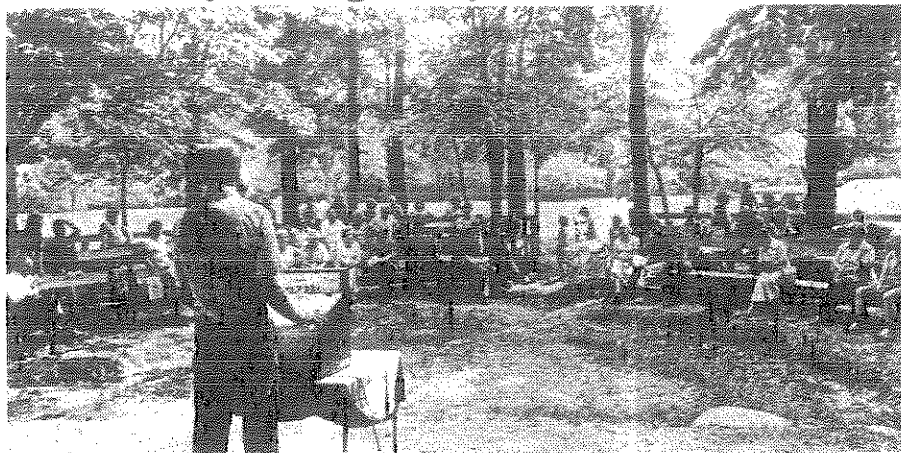
Arden — a village of 516 residents, according to the 1980 census — was founded on George's single-tax/land-rent principle in 1900. Neighboring Ardentown (1,194 residents) and Ardencroft (267) also subscribe to it today.

Now, George's idea from the 1800s is becoming "new again," said Curtis, and that was the thrust of the discussions Monday among those at the Arden commemoration.

Curtis said anyone who missed the gathering will have other opportunities to learn about Henry George, his "Single Tax" movement, Georgists (those who subscribe to his ideas) or the Henry George School of Social Science.

Delaware's affiliate of that school will have a booth at Newark's annual Community Days, Sept. 15 at the University of Delaware.

## Henry George Day in Delaware



Coordinator Mike Curtis talks to audience on Henry George Day on The Green in Arden.

Frank Nelson wrote to Delaware's Governor Michael Castle, requesting that he honor George's birthday this year by proclaiming Labor Day as Henry George Day in Delaware. This resulted in the following proclamation, using wording suggested by Nelson:

WHEREAS, September 2, 1985 will mark the 146th anniversary of the birth of Henry George, famous American economist; and

WHEREAS, this great thinker, author and statesman wrote and spoke out against inequality, and his books are still read by millions in colleges around the world; and

WHEREAS, his classic book, Progress and Poverty, hailed by economists and statesmen for its original and provocative thought, continues to influence public policy; and

WHEREAS, George's social ideals inspired the founding of Delaware's three colorful villages, Arden, Ardentown and Ardencroft; and

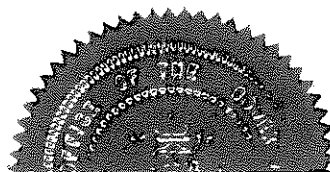
WHEREAS, September 2nd this year coincides with Labor Day, and George emphasized that all wealth is produced by labor applied to natural resources, so it is fitting for Labor to join in honoring him; and

WHEREAS, George's local adherents are planning special events in his memory.

NOW, THEREFORE, I, MICHAEL N. CASTLE, Governor of the State of Delaware, do hereby proclaim Monday, September 2, 1985, as:

### HENRY GEORGE DAY

in the State of Delaware, and urge all Delawareans to recognize the importance of this observance.



*Michael N. Castle*

Governor

This proclamation, along with a statement about the significance of George's birthday coinciding with Labor Day was sent to the local media, asking that it be publicized. And did they ever! The daily paper featured an editorial by columnist Bill Frank, a former Arden resident, with a four-column banner "A Governor Honors Henry George At Last." The weekly paper ran a two-column headline "Henry George Celebrations Set." Mike Curtis received a call from a reporter seeking background for a follow-up story. Nelson was called by radio and TV stations for further details and a taped interview.

In all, Henry George received an unprecedented amount of local media attention in the week preceding his birthday, all at the cost of a few cents postage. Any reader, with little effort, could experience the same kind of luck in his or her own home town or state. (Similar 1985 proclamations have been reported by Bob King for Illinois & by George Collins for Philadelphia.)

## Equal Rights

A quarterly published by the  
Center for the Study of Economics  
Editors: Frank E. Nelson  
Edward J. Dodson

### "Real" Tax Reform?

The President has promised that his administration would introduce no new taxes, despite the growing federal deficit and an escalating national debt. He has committed himself to a continuing program of tax reform. Regardless of what those reforms contain, one thing is certain: the federal government will be looking for new ways to raise more and more revenue. Rhetoric notwithstanding, even President Reagan has been ineffective at halting the growth of government spending. Revenue must come either from increased taxes (by raising rates, removing exclusions or broadening the base), the sale of government securities, or fees obtained in exchange for services or the use of government-owned assets (the nation's land, natural resources or facilities). Almost everyone — economists included — acknowledge that seeking to raise more revenue by hiking tax rates on individual or business income is sure to short-circuit economic growth. More borrowing, on the other hand, increases the national debt and, as a result, the proportion of tax revenue that must go to pay interest on that debt.

### EVEN MORE PROBLEMS

Look deeper into the economy and one finds even more problems. The big banks are far from out of the woods on their foreign loans. At home, many farmers are in default on their debt and are losing their farms in growing numbers. Lenders are sure to turn conservative to all but prime corporate borrowers.

Should the Federal Reserve move in the direction of a more expansionary policy, the impact might turn out to be opposite of that planned. Rather than lower interest rates, the expansion could trigger a more powerful and offsetting expectation of renewed inflation — pushing interest rates higher.

Supply-side economic actions thus far adopted are based on the rationale that lower rates of taxation on production provide incentives to produce and leave more income with individuals for consumption. And, despite what one hears, it is consumption that provides the stimulus for greater production. From this perspective it should be apparent that investment in physical capital (e.g., machinery, buildings, etc.) is a response to anticipated future consumption. For this reason taxing

consumption could end in disaster. There is a problem, however, with the policy of simply reducing all tax rates. The problem has to do with the impact of taxation on the owners of what economists call the "factors of production."

There are three factors of production: land, labor and capital. Some economists add a subdivision of labor abstractly described as "entrepreneurial ability" on the theory that the qualities necessary to put together and run a business are somehow qualitatively different from other kinds of "labor." The economic theory becomes quite involved (perhaps unnecessarily so) but what essentially happens in the real world is that the owner of any factor is supposed to retain the value of what that factor contributes to production. Our tax system has tended to lump all three factors together for the purposes of taxing income; some common sense logic reveals that this approach is seriously flawed and stifles economic activity. To understand what I mean, let's briefly analyze the effect of taxation on each of the three factors.

### ... land ownership, a sacred cow ...

Land does not have to be produced; it simply exists to be used when the demand arises. As a result, its economic value has increased or decreased with little regard for what its owner does (unless the owner is either negligent or consciously destroys its value for alternative uses by permitting its use for a hazardous waste site, causing soil erosion or other serious misuses). A landowner receives income primarily in two ways, current income in the form of leasing fees; or capital gains that accrue over time if the land becomes more valuable. The result of our tax treatment of land as a factor of production is that very small amounts of taxes are collected from land unless sold, encouraging the holding of land over long periods — often simply for speculation and not contributing to the production of goods and services. It is also interesting that our tax laws have been structured to think of rising land values as capital gains (and subject to lower rates of taxation); capital in its economic sense is something produced. I can hold land for fifty years at almost no significant cost, without producing anything, and end up a millionaire. Lowering the tax rates on land is an incentive to play the speculation game rather than risk one's financial reserves on producing goods and services the consumers may reject. Is this an outcome of our tax system that is in the best interest of the nation?

Our system of social welfare requires the use of so-called "transfer payments" to redistribute money, goods and services from those who supposedly have too much

to those who have too little. From a humanitarian perspective this may be a good thing. The effect on the individual is to use the tax system to capture (for society's needs) a portion of the economic value that person received because of labor exerted. Some economists have argued that the wage and income taxes, the taxes on labor, induce people to work harder to overcome the tax burden. That may be true for a small number of unfortunates. Supply-siders have identified such taxes as a significant cause of tax avoidance and the growth in the "cash only" underground economy.

### INCOME TAXED TWICE

Owners of capital are normally less able to conduct business on a cash basis. For one thing, they deal primarily with the production and sale of goods more so than the exchange of services. To encourage investment in physical capital the tax laws have been moderated to give more favorable treatment to capital by providing accelerated methods of calculating depreciation and offering direct tax credits for investment. These measures contribute in many cases to the incentive to produce, particularly where the profit potential is marginal. On the other hand, our tax system taxes corporate income twice — first, as income to the business entity and, second, as individual income to the stockholder. To the extent that business income is the result of capital investment, taxes discourage some investment.

What our political leaders should be concerned about is the large number of companies leaving the country to escape the high costs of land, business taxes and regulatory controls.

To the extent that our tax system encourages or discourages speculation in land and encourages or discourages production of goods and services, its impact on the economic health of the country is significant. We have moved in the right direction where labor and capital are concerned. The situation with regard to the taxation of land simply gets worse. The demand for land and for its natural resources grows more intense with each passing day, and so its value in the marketplace. Yet, hardly any land is assessed for tax purposes at more than a fraction of market value. As wages and salaries rise, so do the taxes taken — with more of each additional dollar earned taken as income rises. The allowances for depreciation better protects capital from escalating taxes. However, the bottom line is that land ownership — which contributes least to the creation of wealth (is essentially a static activity) — ends up as the sacred cow of the tax system.

Edward J. Dodson

## New Publication on Georgist Ethics

C.S.E. has been publishing many empirical studies showing how the single tax would lead to more economic growth and less unemployment and poverty. But what our movement needs is a pamphlet expounding the ethical arguments for the single tax in readable modern prose — and Pace University of New York has just filled the gap with the publication of Steven Cord's *The Ethics of Land Reform: A Trialogue Between Adam Smith, Karl Marx and Henry George*.

A triologue? Well, to heighten reader interest, Henry George's ideas have been presented in imagined conversational form with Smith and Marx — hence, a triologue not a dialogue. With Cord writing the script, Henry George always seems to get the last word. By the end of the pamphlet all of George's arguments are fully enough presented, with all commonly-held objections answered; may we say refuted.

A bonus: Cord presents an additional defense of the single tax. He briefly

expounds a logical proof of the equal rights doctrine (George had assumed that we should each own ourselves, certainly a reasonable assumption to us but perhaps we need to present additional argument these days to support this contention, as many people are accepting the socialist notion that society owns much if not all of each individual). Cord maintains that if we should treat things as they are, then we have the right to be free to treat people as they are, and since they have the same right to be free to do so, our right to be free is limited by the equal rights of others. Q.E.D. From this proven moral standard, we can then follow George's route to an equal right of access to natural opportunities.

If you would like to read a triologic explanation of our ethical philosophy, send three dollars (\$3.00) to C.S.E., 580 N. Sixth Street, Indiana, PA 15701 for something new in Georgist literature.

Conservatives are for "the family." They want a "pro-family" tax policy. That means that they are against the non-family, or "singles." Conservatives should be for a singles tax. (That should not be confused with Henry George's Single Tax, which was a tax on land rents. This is a tax on singles, as in Singles Bar.)

By HERBERT STEIN

SAO PAULO—One would have thought that a revolutionary land-reform program involving up to one-quarter of Brazil's entire population would have required some discussion between the government and Brazil's farming community.

... through the government's reform, seven million workers and their families would be provided with land of their own to till.

... property may be taken not only for "insufficient use" but "excessive size." Thus, the great agro-industrial complexes that employ thousands and produce all of the fuel on which Brazilian cars are run can be affected just as can land kept merely for speculation.

Along with the demagogic, Brazilian farmers are exasperated by the plan's sheer unworkability. To imagine that out of seven million workers all are capable of running farms is an absurdity to begin with. Add to this the traumatic effect of shuffling one-quarter of Brazil's population between regions as diverse as highly developed Sao Paulo and the dry, impoverished northeast.

... caught in a virtual purgatory are families camped along roadsides—4,000 in Parana alone—waiting for the government to decide what to do. Many of these are former renters and sharecroppers.

If the squatters are ever settled, a vast structure of financial and technical backing would be necessary to establish them as farmers.

"We are at a crossroad," says President Jose Sarney. "The country must modernize in every sector—administrative, economic, political—as well as in the use of the land." And he adds, "We cannot solve chronic problems with demagogic formulas easily announced and difficult to realize."

Yet it is certainly fair to ask how, in a huge country with millions of acres yet to be tilled, more land can be made available to those who would do a good job of farming it.

by Ellen B. Geld

For nearly two generations a remarkable consensus dominated American thinking on foreign trade. Protectionism is bad. There was no debate; everyone agreed, but we have forgotten why. Today Congress is awash in protectionist schemes, and it takes an old man to recall that the lesson was painfully learned.

"Some of us remember the 1930s, when the most destructive trade bill in history, the Smoot-Hawley Tariff Act, helped plunge this nation and the world into a decade of depression and despair," President Reagan told a radio audience Saturday.

## Bequests

Each year the Center for the Study of Economics receives letters from our members asking how they can make a bequest to us either in their will or as a relative for another family member. Including CSE as a beneficiary offers the opportunity to make a gift that will help establish the right of all people to equal access to Nature. A legacy can be given for general purposes which encompass all of our activities. Bequests can also be designated for very specific purposes: for advertising on radio, TV or in magazines, for example.

Your attorney can advise you on how to include CSE in your will and the following sample form is intended for general guidance:

I bequeath to the Center for the Study of Economics, a corporation registered as a 501(c)3 non-profit corporation with the IRS, having its office at 6077 Loventree Road, Columbia, MD 21044, the sum of . . . dollars to be used by said Corporation for its general purposes (or for . . . purpose).

### MEMORIAL GIFTS

CSE also welcomes memorial gifts and remembrances for special occasions. We acknowledge the gift to the family of the deceased and also to the donor.

#### Flat Rate Tax

[from Ron Paul's FREEDOM REPORT]

Most flat rate taxing plans floating around Washington today have a single goal: to raise revenues. So look carefully at all the proposals this next year. Having a "fair" tax is clearly appealing to all decent people. A high confiscatory tax, equal for everyone but denying deductions that serve as incentives would not help our cause. A flat tax rate of 10 percent or less, designed to reduce revenues, simplify the code and make it more fair would certainly be an improvement over what we have. But a truly free society would never tax income, just as we in the United States never did prior to 1913. Income taxes are the logical component of big government.

### "... Income Taxes

Handicapped the Hired..."

[from "Doug Casey's Predictions for 1985-86"]

Today, 90 percent of all personal income taxes are collected from those who earn \$40,000 per year or less. So raising taxes is a totally inadequate way to rectify the situation. Within just a few years, projected expenditures for transfer payments alone will exceed 241.4 percent of all revenues from corporate and personal income tax, excise and estate taxes, and that doesn't include the costs for Social Security, defense or general government expenses. In other words, we will soon be in the position where, even if the Federal Government taxes 100 percent of our income, it will not be nearly enough to cover its avalanching obligations.\*

Editor's Comment: This astounding projection has been creditably made earlier by the late Col. E. C. Harwood, AIER Director Emeritus, in his book, "The Money Mirage", 1975.



**HGFA**

(cont'd from page 1)

based only on last six months were Washington (Pa.) and another victory in Duquesne, Pa. Pace university published Steve Cord's "Trialogue between Adam Smith, Karl Marx, and Henry George", using it as text book in two classes. A serious problem has arisen in Pittsburgh. The well respected Pennsylvania Economy League who is often on the right side of civic affairs and does civic and budget studies, and is funded by the Mellons and big interests, came out with a study on land value taxation from their Pittsburgh office. The study had bogus figures and said the land value tax hits homeowners and had no influence on Pittsburgh's renaissance. Dan Sullivan and Steve Cord and others came out with a study which was objective and conclusive that land vlaue tax helped contribute to Pittsburgh renaissance and new building over the flat rate tax. The Pittsburgh mayor, who authorized the Economy League study, says the graded tax has done its job and wants to go back to the old 2-to-1 graded tax. We have to publicize our study; Dan Sullivan has been very active in seeing the city councilmen. Dan has done a study on a neighborhood and gotten endorsement by a group of which that neighborhood is a chapter.

Trustees whose terms are up are Richard Biddle, Michael Curtis, John M. Kelly of Scranton, and Nadine Stoner. Dodson moved, seconded by Dan Sullivan the election of Biddle, Kelly, Stoner, and Yeatman. Motion passed.

Steve Cord distributed copies of "Statement of Revenue & Expenditures (cash) 7-1-84-6-30-85" of the Henry George Foundation of America, "Statement of Revenue & Expenditures (cash) 7-1-84-6-30-85" of the Center for the Study of Economics, and "Combined Statement of Revenues and Expenditures, Henry George Foundation & CSE 7-1-84 - 6-30-85." Money in CSE must be spent on education activities. HGFA money is civic league status 501.C4 and not subject to as many IRS limitations as CSE. Combined contributions were higher than usual, totaling \$23,468. Part of that exceptionally high amount includes Marian Hahn's \$5,000 contribution to CSE after the sale of her house. Grant revenue was unusually high, \$17,256, with \$12,000 from Schaikenbach for purchase of tapes for the 12 TV films, and \$2,000 from the Henry George School.

Subscriptions at \$6,197 are high because of Fairhope Single Tax Corp., which subscribed for all its leasees for \$2,000 a year, and because PREC subscribed for all Missouri legislators.

Wages of \$9,497 were for a full time secretary. Contracted Services of \$523 are for students who work every Wednesday

night. Grant expense was \$4,000 to CSE and then to Steve Cord for study and pamphlet on virtues of free enterprise. Other grants were \$2,000 to Dan Sullivan (study to counter Pa. Eco. League), \$500 to Walt Rybeet ("Tale of Five Cities" film), \$120 to HGF Phila., F. Nelson \$400, and HGS \$100. Assets, after \$26,500 purchases and \$8,250 sales, total \$18,250. Any gift larger than \$5,000 is listed on the Asset Statement, including Beaver, Pa. Congressman Charles Eckert, Steven Cronin in Chicago, Mr. Wilcox, and Quaker Marian Hahn's gift to the Peace Fund.

The new development is the Common Ground organization, which is different from CSE and HGFA and can reach out to get new people who only vaguely understand our point of view but are willing to contribute to us. Money can be earmarked for Common Ground purposes but donated to CSE to get tax deduction.

..... HGFA/CSE will be moving to the Washington, D.C. area and provide headquarters for Common Ground. Steve Cord was elected president of Common Ground at its July 20, 1985 meeting. He is retiring in January 1986 from Indiana State Univ. (Pa.) and moving to Columbia, Md. (near Baltimore). He has offered to handle everything for Common Ground without salary. CSE will provide information about Common Ground in "Equal Rights." ..... Perhaps in the future Common Ground chapters can be set up around the country. Collin Bonner has offered to give the organization a computer. A computer offshoot can be to the Georgist Registry. CSE will fund a booklet to describe technique for setting up P & P classes and describing how to approach politicians on setting up the two rate tax.

**Nadine W. Stoner**  
Acting Secretary

—Our home is only our castle -- the potential of our mind is our empire.—

## *Equal Rights*

Center for the Study of Economics  
580 N. Sixth St.  
Indiana, Pa. 15701

**Common**

(cont'd from page 1)

describe tested techniques for setting up P & P classes and getting students for same.

- CSE/HGFA will look into the feasibility of improving the print quality of Incentive Taxation and also widen its circulation.

- CSE/HGFA will fund a brochure describing ways by which other Georgists can leave bequests to CSE/HGFA and **Common Ground**. Many Georgist have made land speculation profits and have felt a necessity to donate at least part of such profits to Georgist organizations in an effort to abolish the system which made such profits possible. In fact, HGFA's Endowment was made possible almost entirely in this way.

- CSE/HGFA will fund -- if sufficient finances are available -- the salary and expenses of a paid field representative who, after suitable training (especially in the Georgist philosophy), will be in charge of expanding the membership of CG, among other tasks

- CSE/HGFA will help the Fairhope Single Tax Corporation in its legal problems --after first consulting with Stanley Sapiro.

- CSE/HGFA will fund exhibit booths at appropriate conventions of public officials.

- CSE/HGFA will fund audio-visual aids for use by **Common Ground** chapters.

- CSE/HGFA will fund the publication of a newsletter designed for mass readership.

Steven Cord, president and executive officer of both CSE and HGFA, will function for **Common Ground**.

We welcome expression of support from CSE or HGFA members as well as membership contributions and suggestions for new activities.

Now we have a vehicle for reaching out to non-Georgists, for creating a self-financing expanding mass-appeal organization. We're into a Great New Adventure! No dreaming or mere drum-beating, for we have the means in place for attaining our grand goals!

**ALL ABOARD!**

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