

Equal Rights

Spring

All Men and Women Have Equal Rights to the Use of the Earth.

1979

MINIMUM WAGE LAWS ADD TO UNEMPLOYMENT, YOU SAY? A DIALOGUE

Michael Curtis

But I thought you said unemployment and depressions were caused by land speculation. Well, yes, I did say that. Let's go back to the beginning: the selling price of land is a capitalization of the unearned income. As population increases and inventions and innovations continue, more and more can be produced with the same exertion.

While more can be produced per unit of labor, larger numbers of people and greater aggregates of material wealth require more and more land. Because of the diminishing quality of unclaimed land and the tremendous increase in the potential of land where population is dense, the unearned income from land ownership is steadily rising.

When land is sold, its price is NOT based on a capitalization of the PRESENT unearned income or the different between what it can produce and what can be produced on yet unclaimed land, but on the EXPECTED difference after 5 years or so of progress. This means the prospective user must be prepared to sustain a loss for 8 or 10 years.

When progress does NOT give the advantage it was expected to give and the unearned income is LESS than expected to be and the buyer cannot make the payments for his land, production stops and we have unemployment.

Well, then, wouldn't a raise in the minimum wage lower unearned income, make business less profitable and cause unemployment? Yes, but unemployment was ULTIMATELY caused by basing the price of land on the expected increase in its productive potential or the speculative advantage in land ownership, not in the government decree that land owners must give producing laborers a larger proportion of what they produce. Only if the minimum wage exceeded the value of what the workers produced (that is, only after the land on which they worked had no selling price or rental value) could the minimum wage cause unemployment.

MEET US IN SAN FRANCISCO !

The Centennial Celebration of Henry George's Progress and Poverty proves to be an exciting opportunity to tell the city about Henry George and the Single Tax AND meet Georgists from all over the world. A week of seminars, speeches and panel discussions is planned along with plenty of "celebration" for all participants. Highlights of these celebrations include a reception at the City Hall Rotunda, a rally at Union Square and, of course, the annual Georgist banquet. It is NOT too late to register for the conference and make reservations for accommodations.

The Centennial Celebration will last August 20-25 and will be held primarily at the Jack Tar Hotel in the heart of San Francisco. Accommodations are available at the Jack Tar or at a variety of other hotels in the city; the Centennial Committee has a complete listing with prices and instructions on making reservations.

Thus far five full days have been planned full of speeches and reports from Georgists around the world and a few invited guests.

Ted Gwartney from British Columbia; David Hapgood, author of *The Average Man Fights Back*; Knud Tholstrup of *Stitching Grondvest*, and Mark Satin, author of *New Age Politics* are among the guests Georgists don't often see and hear.

Each day has been given a theme ranging from "One Hundred Years and Progress and Poverty" to "Movement on the Move focussing on discussions of inflation and unemployment, monetary and banking reforms, the crisis in our cities and, of course, how to get the Georgists message out EFFECTIVELY. There will definitely be something for everyone and a lot more; remember, the conference is in the most beautiful city in the U.S.!

Don't delay! Contact:

Centennial Comm. Headquarters
Henry George School of Social Science
833 Market St., Room 1009
San Francisco, Ca. 94103

for information on the conference schedule and on hotel accommodations. Be a part of the largest gathering of Georgists yet!

THE CENTENNIAL CELEBRATION

August 20-25
Jack Tar Hotel
San Francisco



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WHAT PLACE LAND TRUSTS IN THE GEORGIST MOVEMENT?

We Georgists agree that the private collection of community created values (the economic rent of land) with resulting land speculation and the public confiscation of wealth in the form of taxes on labor and labor's products are the causes of unemployment, depressions and the unequal distribution of wealth. We also know and agree that the remedy to these ills is the public collection of the Economic Rent of the Land and the abolition of all other taxes. But, what do we do with this knowledge?

There seems to be three main ways to bring about a "Georgist Revolution" and the implementation of economic and social justice in this country and the world: political action as advocated by the President of our organization Steve Cord and many others, educational action (classes, symposia and seminars) as carried out presently by individuals and the Henry George School of Social Science and a third alternative — actually doing it — establishing a mini-Georgist society in the form of a land trust where the economic rent of the Land is collected and as many as possible of the taxes now levied against labor are abolished.

At a recent conference on Land Trusts sponsored by the School of Living in York, Pa., the Editor, Penny Colgan and Michael Curtis presented the case of Arden, Delaware as a Georgist land trust that has failed. True, the community is thriving, homes are comfortable, people have a strong sense of community, yet an unimproved lot of \$10,000 square feet recently had its lease transferred for \$12,500 proving that only a portion of the Full Rental Value of the land was being collected. More important the Board of Assessors (those charged with determining the Full Rental Value of the Land) has been making decisions based on budgetary considerations of the Town and has not seen fit to increase the land rent for this year!

Because of this "failure" of Arden, should Georgists discard the notion of establishing enclaves of economic rent as impossible dreams or useless tribulations? Definitely not! How else, without concrete proof of our assertions, can we hope to convince thinking people of our rightness? How else can we prove that a community can be self-sufficient economically without imposing negative taxes on improvements and labor? We are accused of being "crackpots" enough; we should be able to DEMONSTRATE the efficacy of our arguments.

Yet, we Georgists must take lessons

from previous attempts. Pittsburgh, Harrisburg and Scranton HAVE instituted LVT on a small scale and we can take heart from them; yet what does one do who desires immediate action, who wishes to experience Georgism directly on however limited a scale? He or she starts a land trust! One in which the collection of the Full Rental Value of the land is taken out of the jurisdiction of those from whom it is due thereby discouraging the "Assessing" of FRV based on budget needs, rather than land values. The community deserves it ALL and could find ways to use it: paying other taxes levied against the residents, extending services offered by the Trust or to acquire more land and thus extend the Trust to more people. It seems like a dream, but land trusts could be a way to spread the wisdom of Henry George AND offer access to land for many people.

There is a land trust movement in the United States led by such people as Robert Swann of Cambridge, Mass., the Decentralists of the School of Living and other New Age groups. We Georgists have scoffed at these people long enough. They do represent that famous "Lifeboat" mentality (we'll get land and beat the system and forget about the rest of humanity). However, one thing these people do realize is that land should be the common property of all people and that equality of access to the land must be assured by society. That's half the Georgists battle won right there? While we attempt to educate the politicians and taxpayers of our society, why not also turn some of our attention to these "utopians," teach them the lessons of Henry George, broaden their concern to include all people and involve them in bringing about a Georgist society with options for all through the creation of Georgist land trusts. Land Trusts are just as viable as wilderness homesteads and in thriving cities.

There are people currently at work on models of Georgist land trusts, ones that would ensure the community's collection of the economic rent and the protection of individual rights. People like Carl Shaw of Fort Meade, Md. who wants to establish a private land trust in rural West Virginia; Arthur Yeatman and Penny Colgan of the West Chester, Pa./Arden, De. area; and Mildred Loomis and Herb Goldstein of the School of Living. Herb Goldstein has done extensive research in the pragmatics of establishing land trusts and helped write the lease that the School of Living now uses with people who rent their land.

Much remains to be done in the area of lease writing, articles of incorporation, and, of course, acquiring land. There is movement within this movement. Georgist land trusts will not bring about the institution of the Single Tax throughout the country as all Georgists dream, but they do provide one avenue of involvement for people who want to do something NOW!

Fellow Georgists;

I came upon this idea for a land trust after talking to people at the Bryn Mawr conference about previous trust attempts and visiting Arden with Mike Curtis. My impression is that these trusts have become dominated by the lessees, who are often less interested in promoting the trust than in avoiding rent.

The solution, it seems, is to not invest the lessees with control of the trust. After all, the land does not belong to the tenants any more than to the landlords. It belongs to all who have need of it.

My other reason for devising this proposal came from rev. Wylie Young's Sunday morning address at Bryn Mawr. Rev. Young had been asked by a friend to preside over his funeral and to include Georgism in the eulogy. The man was a true Georgist, and wanted to have "one last shot" at promoting freedom.

When I die, I hope to have owned the land I lived on. I want that land to serve the liberation of all lands by supporting Georgism. I also want that land to be used as land should be used. I do not want the land I have sweated to acquire to fall into the hands of slumlords or speculators, even through the actions of my own children.

I believe there are many like myself. I expect that any true Georgist would feel this way. I cannot see how it would be possible to be a Georgist and feel otherwise.

The trust would be more than an administrator of the lands. It will hopefully capture the imaginations of potential contributors and greatly increase the amount of lands bequeathed. And it would stand before the world as an ever-growing monument to the desirability of the site value tax system.

There is something in the proposal for everyone participating. The lessee is offered subsidies which will greatly reduce his property tax load. People opposed to taxation will be able to demonstrate the advantages of site value tax by pointing to the economic vitality of the lessees. The organizations for whom the lands were bequeathed will collect dividends from the trust, and the trust itself will become an ever-growing source of available land.

I have deliberately avoided going into great detail over the structure of the trust and the form of leases, and even who should be allowed to participate. There are many in the movement who know more about such things than I. I chose the distribution scheme so that the money used to defray the lessee's tax obligations, the money used for expansion and the money returned as dividends would be about equal. These amounts are subject to haggling in all directions.

It is my hope that this proposal will generate some interest. I would be happy to invest additional time and energy into it if enough people feel it would be a worthwhile endeavor.

Sincerely,
Dan Sullivan

REPORTS

NOAH ALPER, longtime Georgist and standardbearer of the Public Revenue Education Council, was honored by his friends at a retirement banquet. Mr. Alper who has devoted more than 40 years to the Site-value tax movement shared the evening with such people as Mrs. HG Brown and the Honorable Robert O. Snyder, Judge of the Missouri Circuit Court, who delivered the principle address. Lou Brasso, the new President of the Council presented Mr. Alper with a check for \$2,000. which, it was reported, Mr. Alper said he would use to further the cause of land value taxation. His friends stressed that the money was to be for personal use and Mr. Alper then began discussing going to San Francisco! Good idea! Many congratulations and best wishes to someone who has worked untiringly for the Henry George Movement.

The Revenue Council also reported that it hosted a booth at the National League of Cities Convention in St. Louis which drew more than 5,000 people. One lucky sidelight was that, while the booth next door was giving away wine and cheese, the PREC was showing the film "One Way To Better Cities" to entertain the imbibers!

DON MARCELLUS writes that he has submitted a paper to the Henry George School in New York which was a culmination of a CETA project he supervised with the hopes that it may be the basis of another Georgist movie. It focusses on Georgist theory and then presents practical applications and discussions of the effects of Land Value Taxation on different kinds of property. Copies of the paper are available from Mr. Marcellus, 1 Brown Ave., Middletown, NY 10940. He also had a suggestion for the school that a course be offered for graduate students on planning how to present Georgist theory to governmental bodies. Each participant would have time allotted to make preliminary studies of land ownership, of pertinent laws, and of probable questions and objections. They would then present their study and the class would provide feedback to polish the presentation. This could be a way to keep the Georgists we educate in our classes so that we don't lose them to frustration about what to do next.

ARTIE YEATMAN reported that he participated in a conference at the School of Living in York, Pa. entitled "Anti-Statism and New Age Economics." After presenting the Georgist theory with charts and the 2 films, a lively discussion followed with students who were hearing about the Georgist alternative for the first time. During the entire period, Artie stressed the importance of separating natural resources from the products of human exertion, a very important concept for all newcomers to understand. He feels that there are some areas of common interest between the Georgists and Libertarians and that continuing the debate is important.

SINGLE-TAX SEMINARS IN BALTIMORE

— Cathy Orloff

The Single-Tax was the featured subject at two of a four-part series of Taxation seminars held in Baltimore in April.

Sponsored by the League of Women Voters and funded by the National Endowment for the Humanities, the general theme of the series was "Taxation with Humanization." Fliers and media publicity focused on how our present tax system affects us as people, and whether a better system could bring out our full human potential.

The Single-Tax speakers were Michael Curtis, Director of the Henry George School of Arden, Delaware, and Cathy Covell Orloff, former Director of the School in San Francisco. They were joined by local scholars William Bowman of Goucher College, who presented a general discussion of taxation theory, and James Bradford of the U.S. Naval Academy of Annapolis, who critiqued property tax exemptions in Maryland.

Each session was moderated by a member of the League of Women Voters and featured audience discussion and evaluation. In addition to the general public, those invited included State, City and County elected officials, area economics professors, clergy, and public interest organizations. Local Georgists in attendance included Mr. and Mrs. Wilbur Johnson of Silver Spring, Maryland, and Ms. Jean Windsor of Ellicott City, who for many years coordinated the correspondence Progress & Poverty course through the Henry George School in New York.

As a follow-up to these seminars, a Progress and Poverty class was offered to the public beginning in May.

LETTERS TO THE EDITOR

I am disappointed not to have heard more Georgists speak out in favor of the ERA.

We all know the importance of economic equality and the futility of movements for social change that do not incorporate economic equality as a cornerstone.

But is it also true the movements for economic equality are futile if they do not incorporate social equality as a cornerstone. It should be obvious that common ownership among men or among whites is not economic equality.

The basis of Georgist philosophy is equal access to all the resources of society: economic, social, intellectual, and everything else. We should support all movements for social change which advocate either economic equality or social equality because their goals are our goals.

Sincerely,

Charles W. Turner, SF, Ca. (The author is former Pres. of HGS of N. Ca.)

The Ethical Basis for LVT

We Georgists are interested in ethics as much as we are interested in economics. But it is getting increasingly difficult to convince people that untaxed landownership is immoral because they are becoming increasingly subjective in their outlook — i.e., they feel that morality is a matter of personal opinion only. And they're not accustomed to thinking of untaxed landownership as being morally wrong. So it is our job as Georgists to prove a particular moral standard to be true, and then to show that untaxed landownership is morally wrong according to this proven standard. Will that convert them? Not likely by itself, of course, since logic unfortunately doesn't always change minds and lead to action, but we should at least be able to answer their subjectivism (otherwise, our own views rest on sand).

Well then, how to do it? Consider this:

(1) **We should treat things as they are.** For example, we should treat a person as he is — accuracy requires it, and it would be inconsistent to treat him as something he is not (as an elephant, say) since then our actions would contradict our beliefs. This statement therefore meets the two criteria of truth: accuracy and consistency.

(2) **We should be free limited only by the duty to treat things as they are.** This is merely rephrasing statement (1). After all, if there were any other limitation on our freedom, then it would interfere with our duty to treat things as they are.

(3) **In dealing with people, we have the right to be free limited only by the duty to treat them as they are, but since they have the right to be free (we all do — see (2)), then we must treat them as having that right. Or put more simply, we have the right to be free limited only by the equal rights of others.**

(4) **We have the right to life if we have the right to liberty, since our life is the sum of all our liberties.**

(5) **We have the right to property, since the right to labor follows from the right to be free, and we can sell our labor for property in a free market.**

(6) **Untaxed land should not be privately owned since if labor is the sole justification for private property, only the products of labor can rightfully be owned. This naturally excludes untaxed land.**

Q.E.D.?

At least we ourselves should withstand the insidious assault of subjectivism upon our basic philosophy. Once we succumb to subjectivism and justify lvt on grounds of, say, "social utility" (why utility? who's to judge utility?), then we rest the foundation of our beliefs on a shifting relativism, in which case one moral standard is no better than any other and untaxed landownership becomes moral or immoral according to each person's subjective judgment of utility.

We have a much better moral case to make than that.

Steven Cord

Governor Shapp Urges LVT at National Governor's Conference

Governor Milton Shapp of Pennsylvania presented a paper at the recent National Governor's Conference in Boston urging his colleagues to recommend adoption of a higher tax rate on land, lower on buildings, as an alternative to the Proposition 13-type of property tax reforms. He cited the success with such an idea experienced by three cities in his own state.

The facts for the paper were provided by the Henry George Foundation after Steven Cord and Albert Hydeman (Executive Secretary, Pa. Dept. of Community Affairs) had an hour-long talk with the governor. At first, Governor Shapp was sceptical, favoring the income tax over the property tax, but he soon "saw the kitten;" that is, he soon saw the virtue of taxing land at a higher rate than buildings although he did not "see the cat," i.e., he did not get to see how the land question underlies our whole economic system and how it accounts for its maladjustments and injustices. But then, Hydeman and Cord hardly had time to present the larger and more basic case for the Georgist philosophy.

We cannot be too hopeful about the adoption of LVT in other states merely as a result of the exposure to the governors by this one paper. But at least Governor Shapp planted the seed; with our cultivation and with good fortune, some of it might take hold in some state soon.

Governor Shapp is now being asked to help push S.B. 1017 through the Pennsylvania State Senate. This bill would allow local school districts to adopt a lower tax rate on buildings than on land.

President's Corner

The annual contributions drive has just been concluded, and the response has been good enough. We managed to exceed the previous year's total of \$1,900, but not by enough to counter the effects of the year's inflation. Incidentally, there would be a number of members reading this who have contributed in the past but have neglected to do so this past year. If you are one of these, may we be hearing from you quite soon?

At its inception in 1926, the Foundation was financed entirely by annual contributions; originally membership in the Foundation required an annual \$100 donation. And this in the days before inflation! But gradually, more and more of our income has been provided by the interest and dividends from bequests. It is not that contribution income has declined, but that our interest and dividend income has increased.

Right now the Foundation has enough income to pay for the expenses of activists in various states, and to pay for convention booths, Equal Rights, ads, etc. But our real goal must be to have an income adequate to fund a part-time administrator and field representative. There are some good prospects for that job, but we would need either to greatly increase our annual contri-

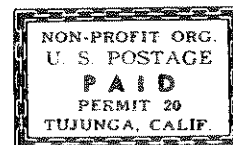
butions or increase our bequests by about \$100,000. Actually, the latter goal is well within our capabilities, even in the near future. I trust it is not amiss to ask our readers to remember the Foundation in their wills, so that we can continue to steadily expand our activities over the years.

We are still basking in the glow of the victory in Pittsburgh. It was the fruits of the constant exposure by Incentive Taxation to politicians, plus personal contacts with them by Foundation members. How about you, dear reader: could you duplicate this approach in your area? Have you put five local politicians on the Incentive Taxation mailing list (at \$2 annually), and can you visit them personally during the year and urge the passage of a lower tax rate on buildings, higher on land?

Incentive Taxation will inform your political prospects and incline them our way, but your visit is necessary to really activate them. Both approaches are needed.

Visiting politicians is easy — they're generally nice to talk to (that's how they got their jobs). You may be a little tense on the first visit, but after that it gets easier and easier. The worst they could do is say no, leaving us no worse off than we are now. You have everything to win, nothing to lose.

Equal Rights
Box 655
Tujunga, Ca. 91042



MR. H. VAUGHN FEELE
1142 GENEVA ROAD
XENIA OH 45385

Address Correction Requested