

Equal Rights

To The Earth's Resources

Spring 1983

Nibbles, Nibbles & A Few Bites

Every so often, requests come into the Main Office from city officials asking us to visit them because they are interested in actually adopting a two-rate property tax. Generally, these nibbles fizzle ultimately. But they all must be followed up; and every one in ten results in a Real-World Victory; then that nearly equals our Georgist record to 1980 when our Real-World Victory record stood at about three.

Recently, your president visited Beaver Falls and a real interest seems to be displayed there. No decision

can be taken before December for 1984, however. For sentimental reasons, Beaver Falls would be a wonderful addition to our list of IT cities. Back in the 1930's, that area was represented in Congress by Rep. Charles Eckert, an ardent single taxer and trustee of the Henry George Foundation. He died in 1958 and left the Foundation its first big bequest. It was the beginning of our current Endowment Fund. It would be nice if we could introduce the two-rate tax in his

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Keep the Movement Moving

One of the easiest ways to continue your support of our vital programs is through a bequest. Over the years, bequests both large and small have been an important source of funds for the Center for the Study of Economics and for the Henry George Foundation.

You may bequeath a specific piece of property (a stock, jewelry, a bond, or real estate, for example), an amount of money, or percentage of your estate.

A RESIDUARY BEQUEST may simply state that the Center for the Study of Economics (501c3) or the Henry George Foundation (501c4) is to receive the remainder of your estate after all specific bequests have been made.

A CONTINGENT BEQUEST may also be used to provide for distribution of property in the event one or more of your named beneficiaries does not survive you.

Suggested GENERAL BEQUEST wording:

"I give, devise and bequeath to the center for the Study of Economics _____"

"

Ask your attorney to add this line to your will . . .

Your attorney will have to know that the Center for the Study of Economics is our legal name, we are a nonprofit education organization, incorporated under the laws of the Commonwealth of Pennsylvania, and bequests to us are deductible for the federal estate tax purposes under Section 2055 of the Internal Revenue Code.

Do you have questions about making a bequest? About adding a codicil to your will? Write to us at 580 North Sixth Street, Indiana, PA 15701.

If you are kind enough to include the Center for the Study of Economics in your will, won't you let us know?

Henry George Stamp Campaign Underway

Your Foundation has been putting pressure on the Postal Service to issue a Henry George stamp. This past summer, for example, we got dozens of Georgists to send post cards to the postal service advocating such a stamp.

Now Fred Foldvary, president of the HGS/SF, informs me that in 1989 we will be celebrating the 150th birth anniversary of Henry George. Would not this be just the right occasion for the Postal Service to issue a stamp for Henry George? It is by no means too soon to start now to get the Postal Service to plan to issue such a stamp by 1989.

Mr. Foldvary is a philatelist himself and knows how to proceed in this area. He is willing to get his own San Francisco School behind this effort as well as other philatelic organizations. We urge each member of the Center for the Study of Economics and the Henry George Foundation to write to the Postal Service urging the adoption of such a stamp. The proper address is:

Citizen's Stamp Advisory Committee
c/o Stamps Development Branch
U.S.P.S. Headquarters
475 L'Enfant Plaza, S.W.
Washington, DC 20260

After all, is there any good reason why Horatio Alger should have a stamp issued for him but not Henry George? There would be considerable publicity value in getting a Henry George stamp issued. Write a brief note or even post card right away.

Practical Literature Available

Do you want a brief presentation on how your city could convert from the current one-rate property tax on land and buildings to a two-rate property tax - higher rate on land, lower on buildings?

This conversion presents an arithmetical problem, but there is an easy answer and a public official will want to know it before seriously considering anything you might tell him about the virtues of the land value tax.

If you want a copy of these instructions entitled "How to Introduce a Graded Property Tax," then please send HGFA headquarters a self-addressed stamped envelope requesting same.

Equal Rights

A quarterly published by the
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Editors: Frank E. Nelson
Edward J. Dodson

Form Alliances?

The critical commentary on political economy these days paints a gloomy picture of government's implementation of conventional, economic wisdom. At risk are the fundamental ideas on which mainstream political economy is based. In response to a century dominated in turn by Alfred Marshall, Lord Keynes, Milton Friedman and Reaganomics, Georgists have been engaged in a frustratingly unsuccessful attempt to gain recognition as accepted doctrine. As reward for tremendous effort, barely a few cracks in the wall of entrenched policies have appeared. And yet, optimism abounds; perhaps the time has finally come when the wisdom inherent in the Georgist message will be released into a welcoming environment. Importantly, however, the current period of economic and political chaos occurs during an era dominated by special interest groups, of which Georgists are but one. Thus, we face a significant problem of direction: Should we work independently of other groups; or, of necessity, seek to form alliances with those groups with whom we share limited goals? The emotional discussion generated on this issue at Chatham College last summer indicates an absence of consensus on the subject. As a starting point, what may help is to develop an understanding of where others begin and we leave off.

Political parties, business organizations and labor unions are examples of special interest groups about which we at least feel we know a great deal. There are many more, some powerful and well-organized, about which little is generally known. For several months now I have examined one such activist group. This is a preliminary report.

LYNDON LaROUCHE
and the
NATIONAL DEMOCRATIC
POLICY COMMITTEE

Who is Lyndon LaRouche and what is the National Democratic Policy Committee (NDPC)? LaRouche is described by his supporters as an economist. He ran in 1980 as the Labor Party's Presidential candidate. Operating out of New York City, NDPC is seemingly well-funded and has an active publish-

ing arm which puts out a bi-weekly newspaper (New Solidarity) and a weekly political/economic magazine (the Executive Intelligence Review). Both publications are professionally produced; however, the content drifts in quality from followable analysis and reporting to blatant sensationalism. The group's cry is for democracy and a "new world economic order" based philosophically on the writings of Benjamin Franklin and Alexander Hamilton (and others). At the international level they have spearheaded formation of the "Club of Life", a response to the population/resource doomsday predictions by the Club of Rome and the Carter administration's "Global 2000 Report".

Worldwide Conspiracy

NDPC's literature concentrates on the theory of a worldwide conspiracy of the aristocracy (led by the British, German and Swiss) against the "third world" peoples as well as a contrived economic collapse of the United States. A recent issue of New Solidarity summarized their convictions, condemning the "international oligarchy whose common basis is a convergence around the policy of a New Dark Ages, as . . . enunciated by . . . the British and continental European ruling families. The destruction of the U.S. economic potential is their precise, and stated, aim". NDPC also charges involvement in this conspiracy by members of the Council on Foreign Affairs and The Trilateral Commission (both of which are chaired by American banker David Rockefeller). LaRouche also contends the debt crisis experienced by many nations is the result of a deliberate plan by aristocratically-led banks (Barclay's Bank of London, Morgan Guaranty and Chase Manhattan, as well as other European banks) to force governments to relinquish control over their economies to the International Monetary Fund (IMF). By cutting off further lending to these nations, LaRouche believes these banks "seek to panic the American public and U.S. Congress to vote a new \$60 billion pay-off to the IMF -- to bail out the banks" at the expense of the American taxpayers. At the same time, the terms offered to debt-ridden nations would so drastically reduce domestic social programs that mass starvation and political destabilization would result, which according to LaRouche amounts to deliberate "genocide".

An article written in October 1982 by LaRouche attacked the monetarist

Land Misuse Causes Inflation & Recessions

When land values are not taxed, then rising land values during a period of prosperity cause an increase in the cost of goods and services. Purchasers don't have enough money to buy these higher-priced goods and services, and a recession ensues. To counter this situation, our government has increased the money supply so that purchasers could buy at the higher prices, but then we suffer from inflation. The only true remedy is to tax land values so that they won't rise in times of prosperity.

This is the standard Georgist explanation of recessions and inflation, and it is true, but how do we answer this objection: "rising land values are the result of inflation, not the cause of it." Land values reflect the general price level; if high land values caused high prices of goods and services, then umbrellas sold in downtown locations would be more expensive than umbrellas sold in back streets.

This objection, I would say, is true but only insofar as land values reflect full and efficient land use. Insofar as land values arise when there is an artificial shortage of land created by land speculation and inefficient land use, both of which hold sites out of full use, then this added land cost increases the cost of goods and services, purchasers pay more and can buy less in which case we have recession, unless the government funds the higher price level by increasing the money supply, in which case we have inflation.

If land were fully utilized, with no land speculation or inefficient land use, then we could avoid both recession and inflation. Of course, the only way we could have such full land utilization is by taxing land values fully. Land use inefficiency would be too costly and would fade away.

One last point: in order to show that inefficient land use is an important cause of recessions and inflation, it is incumbent upon Georgists to demonstrate factually that total land values are a significant portion of total national income and that a high proportion of land is in fact inefficiently used. Fortunately such a factual demonstration has been attempted, I think successfully, in these issues of "Incentive Taxation": November 1981, March - April 1982 and May - June 1982.

Steven Cord

(cont'd on page 4)

George's Predictions

The following is extracted, with permission of the American Institute for Economic Research, Great Barrington, Mass. 01230, from *Research Reports*, Dec. 20, 1982, which contained an address by the late Col. E.C. Harwood, presented not long before his death.

Various Forms Of Slavery

"Any form of slavery (which is to say legalized expropriation of the producer's surplus product) is more significant than as a mere technical violation of the basic principles of justice. Slavery has the direct effect of hampering and inhibiting the producer. It denies to him the surplus product of his manual skill, of his potential managerial ability, and of probable wealth-producing capacity as a man who otherwise would be free to develop the full potential of his learning ability. "Consider another form of slavery still widely prevalent. In India for countless centuries the land was owned in vast estates by landlords, the Rajahs, who combined in their persons the tax gatherer and the rent collector. For the hapless ryot, the Indian peasant, the Rajahs had no legal or, in their view, moral responsibility. In good times, tax and rent collectors took, with pitiless rapacity, one-third or more of the ryots' meager product scratched from the soil.

"In Ireland also, ownership of the land had been given to the Norman invaders. The Irish peasant was free to starve or to compete with his fellows in renting land. During the great Irish famine that resulted from partial failure of the potato crop, starving families lined the roads along which trundled farm carts full of produce to be sent overseas as rent to absentee landlords, descendants of the Norman conquerors. With biting irony, Dean Swift suggested that the famine might have been alleviated if the landlords had acquired a taste for roasted Irish babies. The people of Ireland had been reduced to such abject slavery, that is to say, their surplus product has been so systematically expropriated by rack rents, that they had no accumulated capital to exchange for the plentiful produce being exported from their own country.

"In contrast to the situation in India, in Ireland, and in many other countries, the United States had a vast area of fertile agricultural land and other natural resources freely available until the early years of the present century. Not only the increasing

numbers born in the United States but also many millions of immigrants from Europe found freedom from the enslaving consequences of especially privileged private monopoly of land and other natural resources. But after free land no longer was available in the United States, why did not wages decrease to the product of labor at the margin of production? That is what had occurred in India, in Ireland, in England after the Enclosure Acts, in much of Europe, and in most areas of the world for which records are available.

(Cont'd on page 4)

THE WALL STREET JOURNAL ON

POLITICAL ECONOMY

On the book "Development Without Aid" by Melvyn B. Krauss, Amar Bhide of India agrees with Krauss on the evils of protectionism. "Countries that have restricted imports and foreign investment have, without exception," writes Mr. Bhide, "engendered inefficient capital-intensive industries that cannot absorb surplus agricultural labor or compete in world markets." On the subject of taxation, Mr. Bhide observes that "the tax structure of most developing countries is based on highly regressive excise duties for the practical reason that most of the population doesn't have much income worth taxing", and criticizes Mr. Krauss for suggesting that successes by Taiwan, South Korea and Singapore resulted because those nations did not implement "activist redistributive policies". Writes Mr. Bhide, "the Korean and Taiwanese economic miracle was preceded by a major land reform that effected the most sudden and complete change in income distribution seen in a non-communist country." One further note. Mr. Bhide concludes that "land reform is indeed a euphemism for the violation of property rights, but which if not undertaken (or if mismanaged) jeopardizes the rights of life, liberty and voluntary economic exchange".

* * * * *

(also from

The Wall Street Journal)

Alexander Cockburn on Gandhi:

He fought with some success against the caste system's situating of the Untouchables at the bottom of the human dung heap. Toward the end of his life he proclaimed himself in favor of the expropriation of India's landlords, without compensation.

VERLIN D. GORDON

Verlin Gordon, long-time Georgist and former director of the Ohio extension of the Henry George School, died Wednesday, February 22. Verlin had been the Ohio director for the Henry George School and in later years he ran an antique and fine arts dealership. A number of active Georgists today, such as Walter Rybeck, were first introduced to the philosophy by Verlin. Verlin himself first became acquainted with Georgism in the early 1940's and in the 1950's he ran the noted "Ohio Conferences" which were attended by Georgists from across the United States.

His articles and letters appeared in church magazines and newspapers frequently.

Georgism has lost a strong advocate and many Georgists have lost a true friend.

Mrs. Alice Gordon, his wife, can be reached at Box 201, St. John's, Ohio 45884.

* * * * *

PHILADELPHIA. Newly - formed Greater Philadelphia First. Corp., its purpose to coordinate economic development, has chosen Urban Land Institute vice president, Ralph Widner, as its executive director. Contact has been made by Walt Rybeck with Mr. Widner and a meeting is planned for late May to discuss Philadelphia's LVT legislation.

WASHINGTON. The Census Bureau reports that property taxes accounted for only 22% of city governments' general revenues, down from 25.7% in 1978. User fees now account for 13.5%, up from 11.3%. (from The Wall Street Journal, 1/12/83).

THE TAX SYSTEM. The Reagan administration is considering the consumption tax as an eventual replacement for the income tax. A flat tax, eliminating many current deductions is also undergoing analysis. Martin Feldstein, chairman of the council of economic advisers stated, "the fundamental feature of a consumption tax is that individuals would pay tax on the amount that they spend on personal consumption. Each individual would add up all of his cash receipts for the year and then subtract all of his savings, including stocks or other assets and repayments of loans. This difference between total receipts and total savings would be the amount on which he paid tax." (from The Wall Street Journal 1/20/83)

LaRouche (from page 2)

and free-market proposals of Milton Friedman (as well as that of von Hayek). Several excerpts from this essay offer a condensation of his historical viewpoints:

"If the United States becomes a fascist, totalitarian state, it will be chiefly the 'free-market-economy' dogma of Professor Milton Friedman which steers U.S. government policy in that direction. Such a trend is already in progress. The demand that developing nations submit to the murderous austerity of an IMF supergovernment's dictatorship -- all in the name of 'economic freedom'! -- is the issue being used to steer the U.S. government in the direction of a Nazi-like foreign policy against the 'Non-Aligned nations' group."

Later, he reflects on the period during which England enjoyed its greatest increase in political and economic power:

"... in every case but British, the success of the Industrial Revolution was accomplished through the 'mercantilist' policies of Leibniz, Benjamin Franklin, U.S. Treasury Secretary Alexander Hamilton, France's Lazare Carnot, the American Careys, and the German-American founder of the German Zollverein, Friedrich List. Britain's development was accomplished differently, by looting of other nations and peoples according to the colonialist doctrine of 'free trade' defended by the British East India Company's Adam Smith."

What should interest Georgists are statements which allude to the land monopoly issue:

"The center of their doctrine of 'free market economy' is their insistence that the currency-issues, credit-policies and public debt of nations must be controlled by a network of privately owned central banks. These banks, in turn, are controlled by the rentier-financier oligarchical families. These oligarchs use their control of banking to foster ground-rent and usuary, and to weaken industrial-capitalist institutions, by forcing prices of agricultural and industrial products down to levels that capital-intensive investment is strangled by 'free-trade' methods of lowering prices (and profits) of entrepreneurs. By keeping entrepreneurial profits from goods-production low, and by looting

and taking over farms and corporations by rentier-financier interests, the oligarchs crush the farmers and industrial-capitalists as social-political classes, putting as much industry and agriculture as survives firmly in the grip of oligarchical rentier-finance."

The Georgist emphasis has always been on bringing an end to the land monopoly. LaRouche supporters have targeted the international banking system's "credit monopoly"; yet, the above passage provides as an understatement the combination of both the land and monetary monopolies as a single body. One does not have to be, as I am, a member of the banking profession, to recognize the destruction power therein contained.

LaRouche's proposals to remedy the world's political and economic problems are three-fold: (1) A restructuring of the international monetary system based on a return to the gold standard (including renegotiation of all existing outstanding debt owed by the developing nations); (2) International cooperation on research and development of controlled thermonuclear fusion as an energy source. Also attached to the fusion energy program is a plan for deployment by the superpowers of antimissile beam weapons capable of knocking down ICBM's in flight (this, LaRouche believes, would remove any incentive for continuation of nuclear weapons and contribute to an end of the arms race); and (3) International cooperation for the exploration and colonization of the Moon and the planet Mars, as well as massive industrialization of third world nations, creating a capital infrastructure and raising living standards.

The LaRouche supporters have constructed a movement dependent on a set of ideas far from conventional wisdom. I have reported some of what they have to say; my own opinions are still in the stage of formation. What strikes me as most important, however, is that we not close our minds to the ideas and methods adopted by other movements. What George wrote has been substantiated by the trail of history. Confident in the fact that we enjoy a sound philosophical base, George would, I suggest, demand of himself a constant re-examination of changing environmental factors. The development, use and proper role for nuclear energies as well as the computer-created dynamics of the monetary system are George's issues as surely as was land monopoly.
ED DODSON
Philadelphia

Predictions

(from page 3)

"Based on his comprehensive review of developments throughout recorded history, the eminent American sociologist, Henry George, had confidently predicted in 1880 that the same distressing conditions found in India and Ireland would become increasingly apparent in the United States. He predicted that the takings of special monopoly privileges in the form of land rents and natural resource royalties would increase greatly as a proportion of total production of wealth leaving to labor only a decreasing share.

Increasing Use of Energy and Inflating

"How has it happened that Henry George's prediction has not been fulfilled? In some respects it has, as the plight of New York and of some other large cities clearly reveals. However, two developments apparently account for postponement of some consequences foreseen by Henry George:

1. Until about two centuries ago, the energy available to humans for producing wealth was provided by the muscles of domesticated animals and of men, with relatively minor contributions by wind and water power. However, in the last 100 years alone, during which the last free land in the West was allocated to homesteaders, the non-human energy potentially available to aid producers of wealth has increased about one million times. One consequence has been an increase in marginal productivity by several times. In the meantime, ownership of agricultural land and natural resources was so widely diffused among the population of the United States that the takings of monopoly privilege increased less rapidly than did the production of

(cont'd on page 6)

SALES MAKER AVAILABLE

Do you need a little mailer that tells our story colorfully? Then order 100 copies of Perry Prentice's "Two Trillion Dollar Cost of the Wrong Kind of Property Tax." It is a two-color brochure describing the advantages of land value taxation in a compelling manner. It was originally produced by the Media Foundation for Land Economics (by Bill Newcomb) and is now in its fifth printing, which shows how popular it has been. The cost is \$6 per 100 with 40¢ extra for mailing. Become a Center of Georgist influence in your own locality.

Readers' Forum

Eight Steps in the Business Cycle

Dr. Ernest Kahn of Sharon, Massachusetts has written a magazine article in which there appears the following "Eight Steps in the Business Cycle":

Starting with the "expansion of business activity," the cycle runs something like this:

1. Business is expanding. Employment increases and demand for land increases. Things are improving for everyone. As long as the economy is improving we call this period "Prosperity."

2. Land speculation increases. This is not really Step 2 as much as the undercurrent of the business cycle.

3. Land speculation has risen to the level where business expansion becomes unprofitable.

4. Business expansion stops. At this point we say the depression begins.

5. Demand for labor decreases: unemployment increases.

6. Demand for goods decreases.

7. Employment and business activities decrease until the speculative price of land is pushed down.

8. When land for the expansion of business again becomes available at a price which encourages business activity, the cycle repeats with Step 1, the expanding economy.

A Georgist in Sweden

I share in your hope for land value taxes in our respective countries. Unfortunately there is no such movement in Sweden. The tax situation here is really terrible. The public sector consumes 70 percent of the national product, and marginal tax rates are above 50 percent for almost everyone. Land value taxes are unheard of. There has been some talk of taxing water power, but this would take the form of a tax per kWh, which furthermore would be levied only on old water power. I reckon Sweden has the worst tax system in the world. There really is a need for a Georgist movement here.

PUTNAM COUNTY SENTINEL
(Also sent to his representative)

"I am opposed to the whole idea of an income tax of any kind, since I consider it quite Marxist in aspect."
Woodrow Williams
Ohio

Option Amendment

HGFA member Sam Venturella of Chicago informs us that a land tax amendment passed the Illinois House of Representatives last year, but unfortunately, the Senate adjourned before considering this amendment.

The amendment, co-sponsored by 12 representatives would authorize the state legislature to allow localities at their own local option to suspend property taxes on improvements for a period of 12 years. This suspension could be renewed for additional 12 year periods.

We hope that our Chicago Georgists will keep trying. Persistence pays in politics. If we don't come up to bat, we'll never get a hit.

Noah Alper's sage advice,
"Keep Firing!"

Creative Approach

The Miami Herald
1.23.83

State Sen. Gwen Margolis is to be commended for her creative approach to local government financing.

Since all land values in a community are socially created, it is only fair that they should be taxed to help support the community government. And since improvements are created by individual human effort, it is only fair that they should be given a break when tax exemptions are under consideration.

There are some of us who would finance all governments entirely by land-value taxation, and eliminate taxes on buildings and other products of human labor.

MARION H. SMITH
Big Pine Key, Fla.

WHY ALWAYS MILLIONS OF UNEMPLOYED?

We do have a natural source of revenue to support our Government, which does not raise prices and when used tends to prevent unemployment. That natural source is the Economic Rent of Land. Money paid for using the surface of the Earth belongs--not to a few private Persons but certainly to the Public Treasury where it is needed to pay the heavy expenses of our Governments. The Earth is our common inheritance.

Myron Goldenberg

Local Options Needed

It is tiresome to hear that inflation is caused by manipulation of the money supply which causes high interest rates and prices.

When will the "experts" learn and then admit publicly that underassessed and undertaxed city land makes high priced vacant areas with development expensively sprawled on adjacent farms and suburbs.

Lets get rid of the state law requiring equal taxes on land and buildings in New York State. We need a local option law such as allows towns and cities of Pennsylvania to raise local land taxes while exempting buildings. We also need increased vacant land assessments. Lest anyone discount the importance of such measures, let him compare the condition of cities in the two states.

Tax changes as proposed will increase production and employment while lowering prices.

Deflation can thus come without constant bickering over the functions of the Federal Reserve. A few landowners will take justified losses but homeowners, merchants, farmers, manufacturers, and the economy in general will benefit greatly.

Don Marcellus
Middletown, NY

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

Hard-Hitting Book!

Enough of the namby-pamby! Bill Newcomb, the hard-hitting Georgist from Syracuse and Florida, tells it like it is in his recent book "The Conspiracy Against Home-Owners and Tenants." He writes about the Great Conspiracy which few public officials are aware of but which is stealing billions from the public coffers and the pockets of America's home-owners. There is excitement on every page. If you like your Georgism hot, send \$3 to the Foundation's office for your copy. This is a special low price - limited-time offer.

Don't throw away your copy of *Equal Rights* after reading it - give it away to a friend or prospect!

Four Maxims

It is my opinion that the best system of taxation in any country is one that is based on the following rules or maxims.

1. All taxes must bear as lightly as possible upon the production of wealth.

2. These taxes must be easily and cheaply collected, and they must fall as directly as possible on those who are required to pay them.

3. Certainty is an important factor to be considered in taxation. It must present the least opportunity for tyranny and corruption on the part of public officials, and the least possible chance of evasion and fraud on the part of those who are compelled to pay them.

4. Equality is a most important element of taxation, so as to give no member of society an unfair advantage over another.

If taxes were to be levied on the rental value of land, an entirely different situation than that which exists here in the U.S. at the present time would develop.

Instead of constantly tending to check production, a tax on the rent of land would have a direct tendency to increase production. It would be very easily and cheaply collected.

A tax on the rental value of land, which is the least arbitrary of all taxes, possesses the greatest amount of certainty possible. Land cannot be hidden or transported. This cannot be done with reference to taxes on labor and the products of labor. Land is not the product of labor, and the rent which comes from the use of land is not the product of any person's labor. Rent is created by the general growth and development of the community in which the land is located. By taking that which is created by the community for tax purposes, taxation would become absolutely equal.

Henry H. Finley
Lake City

Nibbles

(cont'd from page 1)

hometown. Incidentally, the current mayor is related to Rep. Eckert by marriage.

Also, recently your president was invited to address the New Jersey Conference of Mayors on the subject "How to Introduce a Two-Rate Property Tax." The mayors seems definitely interested in our idea. The speech will be given on May 18 in Trenton. Keep fingers crossed.

San Fransico Examiner

TAKE A LOOK AT THE LAND

No wonder the roof has fallen in on real estate agents. ("A hard look," Dec. 15.) It's a greater issue than the mortgage interest rates. Look at the overall cost of owning a home and you'll see the key to the problem. You should pay less attention to the price of housing in the Bay Area and pay more attention to the cost of the land underneath the housing.

Housing sales have fallen because prices hit the fantasy level a couple of years ago. Many of the structures that then sold for a couple of hundred thousand dollars were 20- to 30-year old homes that sold for \$25,000 when new. The prices rose not necessarily because the owners improved their homes but because they were in a favored location: the Bay Area. And, naturally, they needed to buy as a hedge against inflation and bad taxation.

Knock the bottom out of the speculative land market and there will be plenty of reasonably priced housing and plenty of fat, prosperous real estate agents.

George W. Gentes
Pacifica, CA

Publicity Material Available

CSE is making available a packet of five articles suitable for distribution to non-Georgist prospects. These articles tell the whole story and are capable of being easily photo-copied and distributed as you see fit. Send us \$2 and we will send you your packet. It's easy to become an activist and an educationist.

Equal Rights

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

Predictions

wealth. That the trend described by Henry George is occurring hardly can be doubted, but the combination of a social order providing an approach to justice, vast increases in the availability of physical energy, and the march of invention stimulated by relative freedom and justice have postponed until recently the deterioration now apparent in Western Civilization.

2. Inflating has falsified many of the rental and royalty contracts not indexed or adjusted for a depreciating dollar. For the time being many contractual takings by monopoly privilege have lagged behind, but that situation will not continue indefinitely as new contracts are written.

"Moreover, the process of inflating has introduced a new form of slavery, a fourth lawful process for expropriating the surplus product of all who work. In less than four decades, the inflating process has robbed the American people alone of more than \$2 trillion of their surplus product that they supposed had been saved for their declining years or as life insurance for their dependents. The process of embezzling the surplus product of producers in Western Civilization has been systematically applied by the politicians and money managers, who are the principal beneficiaries of the process."

QUOTABLE

"LOOKING FOR THE SOLUTION WITHOUT LISTENING TO THE PROBLEM IS WORKING IN THE DARK." (FROM A SPERRY CORP. ADVERTISEMENT): THIS IS WHAT MOST MAINSTREAM ECONOMISTS HAVE BEEN DOING FOR DECADES.

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