

# Equal Rights

To The Earth's Resources

Summer 1984

## ANNUAL GEORGISTS CONFERENCES SET

• Pawling, New York - July 26-29

Cambridge, England - August 4-11

Land taxers in the U.S. and abroad are convening this summer at two conferences:

- The Canadian-American conferences of Henry George organizations will meet at Pawling, New York, July 26-29. Pawling is about 60 miles north of New York City. The meeting place will be at the attractive 550-acre Holiday Hills Conference Center.

All aspects of the land value tax proposal will be discussed in this relaxed setting.

- The International Union for Land Value taxation and Free Trade will convene August

4-11 at Cambridge University in England. A dozen topics on all aspects of the land tax are being prepared and participants will be coming from all over the world. Of particular interest will be the attendance by a large number of Australians who can give us a personal account of the extensive Australian experience with land value taxation.

Readers interested in getting more information about these conferences should contact Mark Sullivan at (212) 697-9880 without delay.

## Hawaiian Landowners vs. the U.S. Supreme Court

On May 30 the U.S. Supreme Court handed down a ruling (voting 8 to 0) that a state may use its power of eminent domain to break up large estates and transfer land ownership to the estates' tenants. The decision culminated a legal battle fought in Hawaii over control by 72 private landowners of 47 percent of Hawaii's land (the Federal and State governments own another 49 percent).

According to Justice Sandra Day O'Connor the Fifth Amendment, which permits government (after paying just compensation) to acquire privately owned land for public use, also applies to "regulating oligopoly and the evils associated with it."

Significantly, the Hawaii legislature identified the states "Feudal Land Tenure System" as a "social and economic evil" that was inflating land prices and injuring the public tranquility and welfare."

Hawaii's homeowners complained of rapidly rising ground lease rates (some going from \$300 to \$10,000 annually) and initiated suits to require the landed estates to sell to them the land on which residential dwellings were built. Much of the land is controlled by the non-profit Bishop Estate, to administer native Hawaiian-held lands for the benefit of those of Hawaiian descent. Under State law, trustees receive 2% of the estate's income. Rising ground rents gave each trustee a \$250,000 income in 1983.

The inequities of the land tenure system are not going to disappear as a result of the Court's decision. However, the land monopoly has been recognized for what it is and its costs in human terms. At least now real reform may be possible. For one thing, more land will be coming into the realm of taxable property which may alleviate some of the tax burden on labor and capital. More importantly, there is now precedent to use the courts as a tool for freeing the nation's land from monopoly.

## ... and, Harrisburg moves closer to LVT

HGFA/CSE president Steven Cord spent much time in 1983 doing studies for Harrisburg city officials, also calling, writing and visiting them. Well, unbeknownst to us, the city did make a nice move towards un-taxing improvements.

It reduced the tax rate on improvements by 1 1/2 mills, keeping the millage rate on land constant. The new rates are 20.38 mills on improvements coupled with 58.25 mills on land. We were just informed of this fact by Mayor Reed of Harrisburg who was surprised to see that in the April issue of "Incentive Taxation," his city was not included in the list of cities in which there had been incentive land tax activities.

"Frankly," Cord said, "I had given up hope for Harrisburg in 1984 and so didn't make inquiry about what rates they had adopted back in December. This is good news. The trend is right in Harrisburg and helps us maintain some momentum as we go into the 1985 hunting season. Maybe our Bandwagon is starting to move. It's too bad I wasn't able to tell our members about this victory in my last letter to them."

1983 produced two victories (New Castle and Harrisburg), one small setback (McKeesport), three near-misses and numerous good prospects for the coming year.

## HGFA President Cord Sets "Blueprint" for Success

Every Georgist organization should have a step-by-step blueprint on how it wants to bring about the eventual universal adoption of the Single Tax. What achievable goal does it want to reach in five years, ten and twenty? Fifty? Without such a blueprint, our organizations will wander in the wilderness, dreaming and grumbling to no avail, and with a dwindling number of supporters.

The Henry George Foundation of America has a Blueprint, and here it is:

(1) By 1989 (Henry George's sesquicentennial), HGFA expects ten cities to have adopted a Two-Rate Property Tax, and even more important, it expects to run studies which show that new construction has spurred after the two-rate adoption, just as in the five cities which have already adopted the Two-Rate Tax.

(2) From 1989 to 1999, we expect the mainstream economists, organizations and politicians to be convinced by the above that the Land Tax works, and puts people to work and not only will they be convinced but they will finally ACT to get two-rate legislation passed. Control of the idea will slip out of the hands of our Georgist organizations and the Mainstreamers themselves will start to spread the idea from city to city. We'll always be needed to hold high the torch and to spread the Whole Philosophy - the populace must eventually "see the whole Cat" - but if our Bandwagon is ever to get moving, it will be because the Mainstreamers are pushing it as the result of having been convinced of the benefits of land value taxation. HGFA, of course, will have to assiduously publicize our construction spurt studies.

## Getting from Here to LVT

Dan Sullivan suggests two new ideas:

1. Assess the annual value of patent rights and after a period of about five years, gradually increase the tax on those rights just as we would do with land. This would prevent patent-holders from sitting on their patents and not doing anything with them.

2. Owners of vacant land should publicly post the price they think their sites are worth. They pay a tax based on that price, but anyone may buy the site at the posted price plus 10%. This would give us constant price indications for various types of land, and we would not have to wait for a sale to establish them. Perhaps this public price posting should apply not only to vacant land, but land with minimal improvements worth up to \$10,000.

What do you think?

## Equal Rights

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

### HGFA Acquires Rare Edition of Progress & Poverty

Just a little note to say that your organization is the proud possessor of a copy of the original Author's Edition of Progress & Poverty. George published an edition by his own hand in San Francisco prior to having it published by Appleton and Co. in New York.

This copy was purchased by Trustee Richard Biddle in 1979 when he attended the Centennial Celebration. He found it in a bookstore and we bought it for \$400. We carry it on our books at that figure, and we sentimentally regard it as the Soul of Our Organization. In our daily wheelings and dealings, it is there in our main office to remind us to remain faithful to its principles.

It's up to us to make Henry George and the Single Tax a household word. If we work hard enough, and successfully enough, then the monetary value of this special copy of P&P will skyrocket!

## NEWCOMB INCENTIVE AWARD

Any member of HGFA or the CSE who wishes to nominate some Georgist or non-Georgist for the Newcomb Incentive Award should write to us requesting a brochure on the standards of the Award. In general, anyone who has advanced our Cause significantly during the past year would be given serious consideration.

### Letter Writers Score Points

Many of our members have had success in getting their letters to the editor published. Two who have done so are Edith Capon and Walter Rybeck.

An excerpt from Edith Capon's published letter: "If rural assessors can pressure the development of farmland by increasing assessments on it, why are not D.C. and suburban assessors doing likewise and so induce the development of underused land there, thus minimizing the 'need' to develop farmland in Maryland and Virginia?"

An excerpt from Walter Rybeck's letter: "Heavier land taxes in the cities and at their peripheries (as contrasted with tax shelters for landowners) would do more than any other technique to discourage in-city speculation, spur in-city growth of the right kind in appropriate locations and preserve open space and rural areas."

Have you written your editor lately?

## THE ULTIMATE BRAIN DRAIN

Frank Nelson, our Equal Rights editor, challenged the readers in the last issue to follow Henry George's advice in "The Land Question," chapter 13:

"Imagine labor-saving inventions to go to the farthest imaginable point, that is to say, to perfection. What then? Why then, the necessity for labor being done away with, all the wealth that the land could produce would go entirely to the landowners. None of it whatever could be claimed by anyone else. For the laborers there would be no use at all. If they continued to exist, it would be merely as paupers on the bounty of the landowners."

Frank asked us to describe a possible future "in which labor-saving inventions had replaced all labor. Well, here is such a possible future:

The ultimate technological invention would be the use of psychokinesis. That is the power of mind over matter for which there is no ample proof of its existence. Its technological application would combine the raw materials of the earth by use of mental energy so that all our material desires would be met.

Do I want a more comfortable chair? I have only to apply my psychokinetic powers to grow an appropriate tree and have the wood sawed and finished; I would then extract the metal ores from the earth and finish them; shear wool for the upholstery; in a final burst of mental energy, I would have all these materials cut and assembled into a design to fit my fancy. I then move the completed chair into my home.

But wait! There are flies in the ointment, and they are the landowners. The owners of the sites whence come the raw materials will demand their rent, as will the owners of the site upon which my house rests. Alas, the chair will cost me no less than it does now, and unless I am a landowner, where would I get the income necessary to buy the chair? I could not sell my labor because none would now be needed for production; nor could I offer any capital to the productive process; it wouldn't be needed. I would, as a potential laborer or capitalist, be completely penniless. Were I to exist at all, it would be at the pleasure of the landowners.

What does all this come to? The total output of the economy will go to rent once we put into place the ultimate technological improvement since it makes all labor and capital unnecessary. It would then seem logical for us to assume that all technological improvements have the effect of increasing the share of the total economic output which would go to the landowner as rent. It then becomes imperative for us to make sure that this increasing share is put into the hands of those who rightfully own it - the public.

Steven Cord

## California Georgist Morgan Harris Proposes a "National Lobbying Organization"

Morgan Harris is spearheading an effort to bring Georgists together under one flag in an effort to successfully achieve both legislative and educational goals of the movement. The name of the proposed public-interest organization is the "Henry George Association: Action for Tax Relief."

Discussion of Morgan's proposal is planned for at the Annual Georgist Conference in Pawling, New York. The pre-conference sessions held Wednesday evening July 25 and Thursday July 26 will incorporate presentation of this proposal by Morgan and other Georgists supporting the effort.

For more detailed information contact either Morgan Harris in Culver City, California or Bob Clancy, Director of the Council of Georgist Organizations at 5 East 44th Street, New York, NY 10017.



### Audio Cassette Now Available

Finally we have completed the audio tape cassette that goes along with our 25 minute slide show illustrating the advantages of a two-rate tax. Now we have both available for our members who might need them for making a presentation to a local group. Just borrow it by writing to CSE, 580 North Sixth Street, Indiana, Pa., 15701.

*"...A young man who with all his teaching has not been taught the equal rights of all men is no more fit to become a worker in society than a young man who has no knowledge of tools is fit to enter a machine shop. If he should enter such, it would only be for destruction."*

John G. Fee, Founder  
Berea College

Georgist Roland Ballen has produced a sizeable pamphlet containing recent letters to the editor which he has published. In fact, he had published at least 34 letters, most since 1980! This is a most not worthy accomplishment and Roland is offering his pamphlet for sale at a cost of \$1. Readers are invited to order by writing to Roland Ballen, 4290 Wilkie Way, Palo Alto, CA.

## China Adopts Non-collectivist Agricultural Reforms

Georgist Irving S. Reed of Santa Monica, California found out something interesting on his recent trip to China last October.

He found that Chinese leader Deng Xiaoping instituted an agricultural reform that works something like this: "Instead of the farmer working for the State under the direction of a central committee, Deng Xiaoping decided to have the farmer lease the land from the State, and to give him whatever freedom he needed to best plan, plant, harvest and market his produce."

Writes Mr. Reed: "I don't know how the lease value of the land is determined in this farm reform system. It is apparently some formula based on past performance, output of nearby farms, and anticipated production. Whatever the method is, it works - and quite well. I was quite impressed by how well-to-do and happy the farmer appeared, compared with the average factory or office worker in the city."

Mr. Reed urges Georgists to collect information on this new land-leasing approach.

## Georgist Voice Heard By New York Times

To the Editor  
The New York Times

The assumption of Mr. Horace Kramer, commenting on the Times' editorial advocacy of increasing taxes on land and reducing those on buildings, does not accord with the facts. Mr. Kramer states that when land by itself becomes so valuable that the building does not add to its value, a new one to maximize the land value, replaces it.

One has only to look around to see that this does not always happen. Multitudes of obsolete buildings sit on valuable land, comfortably held by those speculating for higher prices, while surrounding sites adequately developed, pay very high taxes, and their occupants pay the penalty of higher rents.

There seems no doubt that low tax rates on land restrain normal economic development and cause prices and rents for the remainder to increase. Untaxing buildings, and taxing all land of equal value equally, would stimulate development, reduce unemployment and lower rents.

Jesse A. Zeeman  
Washington, D.C. 20037

## Readers' Forum

### John Weaver Reminisces

John Weaver is our Grand Old Man of the Henry George Foundation. He and Percy Williams have actively worked for the Foundation ever since it was founded 56 years ago. Currently he resides at Isabella Home, Room 304, 515 Audubon Avenue, New York, NY 10040. He is not a man to blow his own horn, but we finally induced him to write a little memorandum detailing his personal life. This is what he wrote:

I was born August 10, 1896 in Rochester, Pa., where my father served as the methodist minister, as he had done in several western Pennsylvania towns. The home I remember best was in Beaver Falls where I went to high school for four years and emerged from a solitary childhood. I attended Allegheny College in Meadville, Pa. where I edited the "Lit" magazine and was suspended for ten days for publishing sensational articles.

I was impressed by Woodrow Wilson's vision of a new world and enlisted in the medical service during World War I. Wilson's visions helped bring an end to the war, but lack of such vision on the part of Britain and France resulted in the mistreatment of Germany and paved the way for Hitler's emergence less than twenty years later.

I went to churches where the ministers saw the same reality. The wife of one told me about her childhood experiences as a member of the Society of Friends. I was so impressed that I became a Quaker and have been able to persuade my grandson and three sons to register as conscientious objectors. I also have five grand-daughters.

My first adult job was at the Kingsley settlement house where I worked with Charles Cooper. He died prematurely, and I was left as director of a large public forum, "The Hungry Club," which evolved into a radio and television program called "The Allegheny Roundtable." The forum and program had a sixty-five year history of service based on the motto "a passion for understanding."

I married a fellow settlement house worker who was the daughter of an Italian sea captain. We had six children of whom four are living: Robert, a painter; Fritz, an actor; Mary, a set designer and wife of an actor; and Daniel, a book critic.

I first heard of Georgism in an early World War I "war garden" headquarters. It was there that a visiting real estate man told me, "You may think it odd for someone in my business to be a 'single-taxer,' but I don't think people ought to hold land idle." When I came in 1920 to Charles Cooper's Hungry

Club, there were three speakers in the first month about the Graded Tax, then approaching by stages to the ratio of 2:1 land tax rate to improvement tax rate. Cooper brought his friend Harry Willock to talk with the Kingsley staff about the Tax. We heard of it frequently at the Hungry Club, especially from a versatile question-asker, John Henry. He decided to run for mayor, but so did William McNair, who had the backing of the party leader, David Lawrence. He won the Democratic primary and then the election in 1932 with the impetus given by Franklin Roosevelt and the fear of extreme Depression.

For McNair the answer to the Depression was the taxing of unused land into use and untaxing improvements, and he began dramatizing this truth in every way he and his friend Bill Foster could think of - some of their methods were very eccentric and beyond the comprehension of the average voter. I found it just my ticket to write explanations of the latest McNair stunts in words which came easy to me and the papers were printed. I am sorry that clippings of these letters are not easily found. Perhaps some day they will be.

But the final such episode was the attempt at hiring someone for an office which had to be confirmed by Council. This body saw an opportunity to get rid of McNair, and he was forced to retire at about mid-term. He was succeeded by Cornelius Scully, who said, "You will find our office completely silent on this subject." McNair, however, continued to talk on street corners, and when election time came, four of us joined him on a ticket which got a modest vote. David Lawrence restored him to respectability by getting him a seat in the state legislature. He died of a heart attack shortly afterward, in 1948.

I joined with Percy Williams as a minor collaborator on his Equal Rights and aided in continuing small Graded Tax League meetings, when suddenly Councilman Coyne astonished us by publicly declaring that we had been "right all along." From then on he worked vigorously educating his fellow councilmen and was able to increase the land tax rate until it became more than 5 times the building tax rate.

Members of the Center for the Study of Economics (and HGFA) are asked to nominate Georgists who have worked hard, long and effectively for our cause - this for the 1984 Newcomb Incentive Award.

We have to present these awards at the forthcoming convention in Pauling, New York and so please don't delay - send in your nominations today.

## REPORTS FROM NEAR AND AFAR

### New Zealand

This country of 2.9 million probably is using more land value taxation at the local level than even Australia, South Africa or Denmark. But the Georgist Movement there is small, and some disquieting changes have occurred as a result of the incessant activities of land speculators. These disquieting changes should be reported to American Georgists:

(1) Some years ago, the definition of land values was extended to include retaining walls, levelling, clearing and felling, filling, etc. This change in a mountainous country like New Zealand represented a notable shift of rates to capital improvements, according to Betty Noble, a leading New Zealand Georgist.

(2) If the local taxpayers vote for a land value tax, that decision could be revoked by an action of the local Council which could after three years change to another system without reference to the taxpayers. Says Ms. Noble: "This meant people could work very hard collecting signatures and applying for a poll only to find three years later that the system of rating had been overturned and they would have to start all over again to get it changed back for another three years. That, you will understand, was sufficient to dampen anyone's enthusiasm."

(3) Differential land tax rates have been introduced. Now different categories of property can be assessed at different percentages. This has resulted in lower land taxes paid by homeowners and also vacant land. This change has made it difficult for land taxers to show that a switch to the site value tax would reduce taxes for most homeowners.

Heretofore, Georgists like Roland O'Regan and Bob Keall spread the land tax easily by getting "the figures for any district where any local person had shown interest in the subject (often interest generated by Bob or himself) and with some straightforward arithmetic show that most householders would pay less under site value rating than under either of the other two rating systems. With this attraction, and Mr. O'Regan's and Bob's encouragement, unimproved value rating became almost universal." Perhaps we could duplicate this feat in the U.S. and Canada if we could get state laws passed which would allow adoption of a two-rate tax by either council or a vote of all local residents. In the latter case, it could be provided that if 5% of the taxpayers signed a petition for a referendum on the issue, then local taxpayers would vote on whether the property tax should be reduced on buildings

in five successive equal annual steps. (The land tax rate need not be the same as the tax rate on buildings).

We might find it easier then to spread the land value tax by following the techniques used by O'Regan and Keall. We should not put all our reliance on local councilmembers who might not wish to antagonize the special interests.

### North Carolina

#### Ted Morris In State House Race

Ted Morris, long-time Georgist and CSE supporter, is running to represent the 51st District of North Carolina in the State House of Representatives. This is his first venture into politics. He is running on the Republican ticket; North Carolina is strongly Democratic so he will need the help of all good Georgists.

The first plank in his platform is to introduce into the North Carolina Legislature a law which would allow localities to tax land and buildings at different rates. Readers wishing to support Ted should get in touch with him at 43 Crocket Avenue, Asheville, NC 28805.

### Illinois

Our Chicago Georgists, organized as the Better Cities Committee of Illinois under the leadership of William O. Ranky, had a public showing of the film, *This Land Is Mine*. A panel discussion and refreshments followed.

### Missouri

Our small but hard-working band of Missouri Georgists almost had a Great Victory to report. They managed to get a local option land value tax constitutional amendment passed in the lower House of Missouri State Legislature. Then the measure passed through the appropriate Senate Committee and was on the docket for consideration by the Senate when the Legislative session came to an end.

Farmers and mining interests were the chief opponents.

How discouraging - but not really, although the amendment will have to start all over again from scratch in the next session, experience has shown that the process becomes easier once there has been some action taken on the measure in the previous session. Many measures require repeated introduction before final success is achieved. Rep. Walter Mueller is dedicated to passage and works furiously for the idea. So prospects for passage in the next session are more likely than they were even for this session.

(Editor's Note - the Henry George Foundation funded the expenses of three people to testify in St. Louis in behalf of the measure).

### Massachusetts

#### Good News from Massachusetts

Representative Bruce E. Wetherbee of Pepperell petitioned, in House Bill No. 977, for a two-rate system relative to land value taxation. Mr. Wetherbee became aware of LVT at a local meeting I sponsored thirteen months ago.

A second taxation Bill, House No. 3563, employing a single tax rate and exempting portions of building values as practiced in Canada was petitioned by Representatives Joseph N. Hermann of North Andover and Thomas F. Brownell of Quincy - both Members of the Joint Taxation Committee. Robert H. Zwicker  
149 Littleton Rd.  
Westford, MA 01886

### California

Laura Tallian of San Diego says that between elections, "officials reign as unchecked as kings." A good reform like LVT might be wanted by the majority, but once in power, their representatives do not act in their behalf.

Ms. Tallian suggests that a community council of citizens be established with the power to qualify an initiative (vote by the people) without further signatures. In Zurich, Switzerland such an approach has worked very well. The members of this council would be chosen by random sample like a jury. Ms. Tallian concludes: "if a Georgist organization would promote this plan, it would win the approval of the people; therefore, there would be a constituency favorable to land reform. A door would be opened."

### Pennsylvania

A bill to allow school districts to replace the property tax with an income tax was narrowly defeated in the Pennsylvania Legislature this past year. its chief proponent, Rep. Ben Wilson, complained that when the bill was in the House Committee (after passage in the Senate), it got stopped dead by letters from opponents:

"Letters started to flow and some of these people (committee members) got excited because they got two letters," Wilson said.

"Somebody gets a couple of letters and all of a sudden they're telling me, 'Everyone's against it.'"

Moral of the story: write! On highly publicized issues, your letter can get lost; it becomes one among thousands. But on less publicized issues, such as tax bills, your letter becomes vital. This is particularly true at the City Council level when land value tax bills are up for consideration. There are times when our legislators are very sensitive to pressure groups, if they should do something.

## Book Review: by Steve Cord

Appetite for LVT books jaded? Then try Bill Newcomb's provocative "Conspiracy Against Homeowners and Tenants" (\$2 from CSE hq). New views abound; some of them are controversial, even among us cognoscenti.

I particularly like Bill's explanation of why the land tax cannot be passed on: among other reasons, the land value tax would cause vacant (and we would add, partially used) land to be put on the market, thus reducing land rent. An old idea but one I hadn't thought of in this context.

Well, give it a try. Risk \$2. If you know Bill Newcomb, you know his book is not going to be dull run-of-the-mill.

## Pennsylvania Saga

The **Equal Rights Award** for commitment, determination and persistence in the face of fierce opposition has to go to Benjamin Howells, President of the Allentown (PA) City Council. Howells has introduced LVT legislation in council in five of the past eight years, only to have it narrowly defeated. In attempts at passage, The bill was defeated twice by council, and then three times by mayor's veto -- the most recent veto occurring last December.

We should all applaud Howells' valiant efforts and hope that he will keep the faith, "keep firing" and find attempt number six to be the winning number!

### Two Trillion-Dollar Folder

Perry Prentice some time ago wrote a folder entitled "The Two Trillion-Dollar Cost of Today's Wrong Kind of Property Tax." Lots of Georgists have found this handsome red and blue folder suitable for insertion in the usual #10 size envelope to be very effective for handing out at public meetings. It says it all as briefly as possible in words that non-Georgists can understand.

If you would like to order this pamphlet for your own use, the charge is \$6 per 100 including postage. Write to:

Media Foundation for Land Economics  
580 North Sixth Street  
Indiana, PA 15701

### HGFA/CSE Pens

If you have received one of the special HGFA pens as a thank-you for your annual contribution - the one with our slogan emblazoned on it, "The Earth is the Birthright of All Mankind" - well, about one pen in a hundred has a somewhat defective refill. Let us know - we'll be glad to send you another.

## THE BALLAD OF HENRY GEORGE

By R.E. Morris

Oh, Henry George was an American, a patriot, you see  
He earned his economics well, and tried to set men free

He fought for all the ideals that others left behind

When Jefferson, Paine, and Franklin were buried in the ground

Oh, the day will come when the truth he taught, and the end is drawing near, we'll wish we'd followed his advice when land was not so dear,

But greed and technology blinded our clear eye, so now we weep, and wonder why, our wealth is running dry

Production and distribution must go hand in hand, but how is it

that men get rich just by owning land?

For the land was here before we came, and will be when we're not

This is the truth that George did know that we have long forgot

Professors and politico's refuse to understand that everyman is equally entitled to the land

They tax instead man's labor, the capital he saves, and wonder why freedom is heading for the grave

Our economy is foundering, the socialist draws neigh,

Trade is choked, and prices rise, and we do wonder why,

Oh, stagflation and conflict are bound to be our lot

While the Samuelsons and Carters deal with tommrot

Now, George's ethics and economy have all gone by the board

And Keynesians do wonder why men are prone to hoard

When statute law and natural law become two different things,

Justice dies, production dries, and freedom does not ring.

Oh, Henry George was an American, a patriot you see.

He learned his economics well, and tried to set men free,

He fought for all the ideals that others left behind

When Jefferson, Paine, and Franklin were buried in the ground.

### How to make a Big Gift at Little Cost to Yourself

You are no doubt aware that gifts to the Center for the Study of Economics are deductible from your income tax as a charitable contribution. Your gift doesn't cost you as much as you give.

But if you give appreciated securities, your tax saving will be even greater and the cost of the gift would be even less. That's because you get not only the charitable contribution deduction, but you avoid paying the capital gains tax as well.

For example, suppose you give C.S.E. \$3,000. Your tax bracket is about 40% and you have appreciated securities which cost you \$1,500 and are now worth \$3,000. It is to your advantage to give securities rather than cash.

#### CASH GIFT

If you make a gift by writing a check for \$3,000, you will reduce your taxes by \$1,200 (40% tax bracket x \$3,000). In essence, your gift has cost you \$1,800.

#### GIFT OF SECURITIES

If, on the other hand, you give your appreciated securities now worth \$3,000, you will save income taxes of ..... \$1,200.  
(40% tax bracket x \$3,000)

In addition, you avoid the capital gains tax which would have been incurred on a sale of the appreciated securities approximately equal to ..... \$ 240  
(\$1,500 gain x 40% of capital gain x 40% tax bracket)

for a total savings of ..... \$1,440  
This makes the actual cost of your gift ..... \$1,560

When you consider that your gift is being made with securities that cost you \$1,500, your \$1,440 tax savings provides you with an out-of-pocket cost of \$60. Because of this significant savings, many donors feel they can help C.S.E. a little more. There are similar benefits in all tax brackets.

Two cautions are in order. First, you must have held the stock for more than one year so that you can take full advantage of your capital gain situation. Second, don't give depreciated securities. Those could be sold, the loss claimed on your tax return, and the gift made in cash.

C.S.E. headquarters can supply you with instructions to facilitate a gift of appreciated securities. If you wish to know more about making such a gift, simply let us know.



## Percy Williams on Unions

Percy Williams was our peerless leader for more than half a century. He was Executive Director of the Henry George Foundation from 1926 to his death in 1977 at the age of 92. We remember him fondly.

He left behind hundreds of essays on all sorts of social topics which his successor has been winnowing and collecting since 1977. The following extract is from one of his essays on unions, and we will be glad to receive letters on it from our readers:

"If the employer were left free to either deal with the labor union or employ labor from other sources, there would be bargaining in the true sense of the term. But the unions exercise a monopoly. The employer is not permitted the option of buying labor in a free market.

"Under such conditions it is clear that the strike or threat of a strike is a conspiracy in restraint of trade and should be outlawed in the interests of freedom and justice.

"There is no natural or legal right to strike. Some confuse the 'right' to strike with the right to quit or resign from a job. No one questions the right of an individual or any number of individuals to quit work so long as they do not attempt to hold their jobs out of use after they have quit. What the striker does is not quit his job but rather to insist upon holding a job on his own terms while refusing to do the work that he agreed to do when he accepted the job."

## We Need an Assessment Tribune

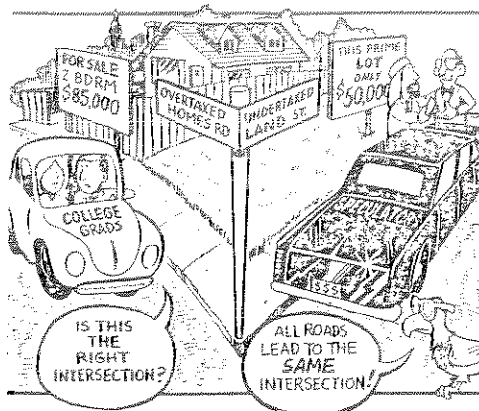
If the assessor should assess a property too high, then the owner has a remedy: he can appeal. But what happens if a property is under-assessed, with the result that all other property owners in town must pay higher property taxes to make up for the under-assessed properties? They will be exploited!

We can assume that the under-assessed owners aren't going to appeal their assessments. So here's a solution: in order to challenge under-assessments, we need to elect an Assessment Tribune whose job it would be to challenge under-assessments by the Assessor's Office wherever he can find them. Of course, he should not be part of the Assessor's Office and should operate independent of it.

Most of his salary should be paid as a commission on all the assessment increases he is able to win. I suggest a 5% commission the first year, 2% for the second after up-assessment, maybe 1% for the year thereafter.

What do you think?

Steven Cord



## In The Press: Aldergrove Star

This tax-shift drastically reduces the price of land-titles, and so promotes construction of homes, stores and factories. It exerts pressure on downtown landowners to revitalize the decayed core of cities without subsidies and their public spirit is not penalized by taxes on their structures. We end up with an "incentive tax" that is easily assessed and collected, and cannot be "stuck to the consumer".

The element of this incentive tax, as it is known in Pennsylvania, - that should recommend it to those interested in municipal finance is its ability to collect for the public, the publicly-created site-income year by year. Development charges exact a big levy that is merely a one-shot payment for the privilege of continuing to short-change the public exchequer ad infinitum. This one-shot is "stuck to the consumer".

The philosophy that welcomes development charges is at the root of the present depression. The sooner people seek sanity in municipal finance rather than "windfall profits" from some, the sooner shall we approach the up-grade to prosperity.

Chilliwick  
Retired teacher

ERNIE BRYAN  
11-83

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Address Correction Requested

Georgist Dr. Robert V. Andelson, Professor of Philosophy, has been recently named to the Academic Staff of THE FREE MARKET, published by the Prestigious Ludwig von Mises Institute of Auburn University.

## From the Editor

### Who Pays the Building Tax?

The tax on land values, as all good CSE-ers know, must be paid by landowners and they cannot pass it on to their tenants. But who pays the property tax on buildings?

Is it passed forward to tenants in the form of higher rents, or it is passed backward to landowners in the form of lower land-rent?

Professor Mason Gaffney has something interesting to say on this pressing issue:

"The tax on buildings ultimately is borne by the land owner in the form of lower land values. Nominally, the tax appears to fall on capital. However, since capital is migratory investors don't have to accept a lower rate of return in the jurisdiction that taxes them. Therefore they can and do shift the tax.

"Now, as I used to see it, they shift it to the tenants, and indeed some of that occurs. Anything that reduces the supply of a commodity increases the price. If you reduce the supply of buildings, you can raise the rent. However, tenants are also migratory - less than investors who move through well paved ways in search of higher returns - but in the long run they also are migratory, and increasingly so in this age of auto-mobility.

"If taxes are not shifted forward to tenants in higher rents, that leaves the non-migratory element, the land, to absorb, the tax as Professor Richman pointed out."

Now the question is, WHAT DO YOU THINK? Responses from our readers are invited.