

Equal Rights

To The Earth's Resources

SUMMER 1986

TAX REFORM VIEWPOINTS

Tax Breaks Enriched Landowners

A far less understood effect of tax incentives and other subsidies for construction has been that the funds appear to have been mainly used to bid up land prices. According to the Federal Reserve Board, the market value of privately held land in the United States increased from \$357 billion in 1960 to \$3.060 trillion in 1985, a compound annual rate of increase of 9.0 percent. This compares to compound annual rates of increase, over the same 25-year period, of about 5.3 percent for the Consumer Price Index, about 1.2 percent for the resident population, and about 2.2 percent for constant-dollar Gross National Product per capita.

Thus a major impact of the Government programs designed to make construction, especially residential construction, more "affordable" has been to enrich landowners. One effect of tax reform on real estate may well be to hold down land costs for builders - itself a powerful incentive for construction which could offset any decrease in the artificially created tax incentives. Moreover, it would be one that is more related to local market conditions.

from RESEARCH REPORTS 6/86
American Institute for
Economic Research

[Cont'd on page 4]

LVT Would Be "Real" Tax Reform

A survey by Dr. Mason Gaffney, Professor of Economics at the University of California, places the UNIMPROVED value of land in our United States at \$3 trillion. Our IRS reports that the taxes collected on all adjusted gross incomes of less than \$20 thousand amounted to \$40.4 billion. Taxing this land at .0135% will produce more than the \$40.4 billion collected from all incomes of less than \$20 thousand. Bringing this into everyday perspective it amounts to \$135.00 on a lot or farm land valued at \$10,000.00, only .37 per day and NOTHING ON IMPROVEMENTS. There would be no tax forms, penalties, etc. It would remove the sword of Damocles from the heads of all small wage earners. Every few years this can be extended to higher brackets, until the income tax is abolished.

A "Site Value Tax" will not make Hades fireproof, nor will it cure the entire syndrome of our ills. It will take taxation from the backs of labor, - it will make American labor products competitive in all markets, - it will greatly reduce the price of building sites that now amount to 25% to 40% of the cost of houses, commercial and industrial buildings. It will justly tax the owners of our natural resources, our oil, timber, and ore lands, the railroad grants and sites made valuable by the public alone.

[Cont'd on page 2]

Bequests

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

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

I bequeath to the Center for the Study of Economics, a corporation registered as a 501(c)3 non-profit corporation with the IRS, having its office at 10329 Log Raft, Columbia, MD 21044, the sum of dollars to be used by said Corporation for its general purposes (or for purpose).

MEMORIAL GIFTS

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

Jack Kelly dies HGFA V.P.



JOHN M. KELLY

John M. Kelly, 521 N. Webster Ave., a prominent Scranton realtor, died Sunday shortly after admission to Scranton State General Hospital. His widow is the former Violet Rothermel.

A Crusader

I was shocked to hear that Jack Kelly, 62, had died.

I knew Jack for decades because he was involved in many tax crusades that put his name into news that I often wrote.

The dominant theme of his public life was his devotion to Henry George, a Philadelphian who developed a theory on land taxation in the late 1800s that still is promoted by dedicated believers.

The George theory is to tax land, not improvements. In this way, it is reasoned, people will put land to its most productive use, creating wealth in the process.

[Cont'd on page 6]

Coatesville Interest

Interest in LVT in Coatesville, PA is heating up again. Steve Cord was called by Coatesville officials and asked to update and expand upon the informal impact survey made in 1984 by Frank Nelson and Artie Yeatman. So in May, Cord and Nelson journeyed to Coatesville to collect data and to meet with city officials and members of the business community. Since receiving the up-dated study, the city council has asked for the opportunity to view the film "Tale of Five Cities" and to further discuss the possibilities of adopting LVT. Stay tuned!

Equal Rights

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

HGFA Meeting

Minutes by Nadine Stoner of HGFA meeting, May 23, 1986, at Vancouver Georgist Conference, University of British Columbia Conference Center.

Steve Cord gave the President's Report. He got two cities, Duquesne and Scranton, to move more in LVT direction. Penn. Economic League, for the Pittsburgh mayor (whose primary support is from real estate) did a paid study to fight land tax. Dan Sullivan can be paid on 3-day a week basis to go into poor neighborhoods for support. Steve spoke to the Chamber of Commerce and neutralized opposition; they are on the same philosophical wave length, but some members would pay more, and the Chamber doesn't want to split the membership.

Aliquippa undertook to become a city and is looking at land taxes and options. Steve made presentations before the Harrisburg Community Chest, Chamber of Commerce, Pa. State Chamber state tax committee, in Suffolk County, before a finance committee of the Pa. House of Representatives, to mayor and officials in New York, and in Arizona. Steve is preparing a pamphlet on how to convert to taxing land, and also preparing data on doing presentations. He is preparing a modest advertising campaign to get six ads in Washington Monthly publication.

Cord has hired a secretary, Julianna Queen. The office has been moved to 10329 Log Raft Ct., Columbia, MD 21044. If we get an executive assistant (Gary Nixon has offered to assist financially), then the office will have to move to commercial space, because of zoning regulations. Steve is now close to Washington, D.C. and closer now than before to Eastern Pennsylvania.

HGFA trustees of the 21-member Board whose terms expire in 1986 are: Robert Clancy, Mitchell Lurio, Stanley Frederiksen, Jerry Schleicher, Floyd Morrow, John M. Kelly-Scranton, and Claude Arnold. Nadine Stoner moved, Everett Gross seconded for re-election of seven incumbents. Passed.

Trustee John Weaver, who was elected last year, died this past year. John was a founding member of the Foundation 60 years ago. It was he who invited Bill Coyne to sessions of the Graded Tax League, and converted him. Ed Dodson moved nomination of Walter Rybeck to the HGFA Board

LVT Local Option Bill Fails

State Rep. Charles Laughlin (D-Aliquippa) introduced a series of bills (H.B. 1368-1372) which would have granted local option to boroughs, counties, townships and school districts in Pennsylvania to tax buildings at a lower rate than land, if they so desire. H.G.F.A. representatives Steven Cord, Daniel Sullivan and Fred Karn testified in behalf of the bills before the Finance Committee of the Pennsylvania State Legislature. Rep. Laughlin pushed the bills vigorously, but the bills failed to clear the Finance Committee recently because when the vote was taken there, the Republicans were in the majority of those present and voted against it. The Democrats control the House of Representatives, however.

Many H.G.F.A. members wrote letters to the Finance Committee Chairman asking for passage of the bill, and Representative Laughlin said those letters were useful and will enable him to return to the next legislative session to push for these bills. Among the Pennsylvania letter writers were Councilman Ben Howells of Allentown, Economic Development Director Al Hydeman of York, Pa. and Professor Donald C. Stone, Distinguished Public Service Professor at Carnegie-Mellon University.

Representative Laughlin is particularly interested in getting the bills adopted because in his own district of Aliquippa, the U.S. Steel mill there has closed, putting many workers out of work, and he would like to see the steel mill reactivated through land value tax pressure and other means as well.

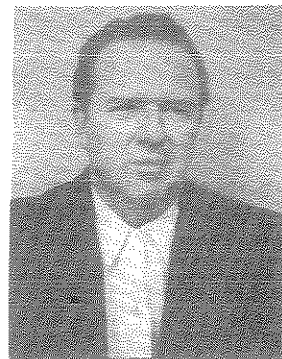
**Prosperity is a great teacher;
adversity is greater**

of Directors. Arthur Yeatman seconded. Passed unanimously.

Steven Cord was authorized to buy and sell investments on behalf of the Foundation and only his signature is required on all checks in the ordinary course of business from the Foundation's checking account up to \$1,000. For amounts over \$1,000, the signature of the treasurer, assistant or honorary treasurer will be required.

Officers were elected: Steve Cord, president by acclamation; Agnes de Mille, honorary president; Walt Rybeck, 1st vice president; John Kelly (Scranton), 2nd vice president; Frank Nelson, secretary; Marion Hahn, ass't secretary; Edward Schoyer, treasurer; George Collins, ass't treasurer; Dan Sullivan, HGFA representative to Board of Directors of Common Ground.

H. Vaughn Peelle



H. Vaughn Peelle, of Sun City Center Florida, died in Tampa, Florida, on April 18 1986, after a long illness (cancer). He was 81.

Vaughn became acquainted with Henry George philosophy in 1950 when he and his wife Mary completed, in Springfield, Ohio, the Basic Course in Fundamental Economics and Social Philosophy taught by the late Verlin D. Godron. He was co-chairman of the Ohio Annual Conference in 1954, held on the campus of Wittenberg University, Springfield.

Vaughn is survived by his wife Mary, of Sun City Center, Florida, a daughter, Paula and three granddaughters.

After a very difficult experience during the Great Depression of the 1930's, Vaughn strongly felt that Henry George and his ideas were indeed to answer the ills of our nation and, in fact, the whole world, and never lost an opportunity to "speak out" or his conviction. He will be missed.

*The greater the difficulty,
the more glory
in surmounting it.*

"Real" Reform (Cont'd from page 1)

It will prevent the owners of these sites from collecting ransom from the public for the privilege of using the bounties our Creator intended for us all. - It will prevent the owners of these sites from amassing billions by manipulating our natural resources, billions plundered from the sweat of labor and functional services, - it will be a more effective weapon for combating Communism in impoverished countries than all the A-bombs in our arsenal, and it will bring us into harmony with Leviticus 25:23 "The land shall not be sold forever: for the land is mine: for ye are strangers and sojourners with me."

Tom Lehmann
1120 E. 6th Street
Alton, IL 62002

Readers' Forum

Begs to Differ

I think that Ed Dodson's article in the Fall '85 issue, "REAL" TAX REFORM?, was on the whole a good one. However, I beg to differ with him where he discusses the Federal Reserve and interest rates.

George, in "Progress & Poverty", explains over and over that wages and interest rates go hand in hand.

As Georgists we should not fall into the popular trap of blaming high interest rates for our troubles as Dodson hinted in his article. Also I think he put too much blame on the Federal Reserve.

Toby

Dodson Replies

Today, more than ever before, monetary units have become commodities in their own right (not useful commodities, but commodities nonetheless). Speculation in such currencies is a zero sum game involving no creation of wealth but certainly results in a massive redistribution of purchasing power from losers to winners. As to the purpose of the Federal Reserve, there are many who would argue that its purpose was not to counteract but to protect the interests of those who controlled the medium of exchange from the consequences of competition. I am reminded of Murray Rothbard's judgment that all of the so-called "liberal" reforms (of which the Federal Reserve is a key one) "were conceived, written, and lobbied for by the very privileged groups themselves." Money as well as land must be free.

EDWARD J. DODSON
206 Pearlercroft Road
Cherry Hill, NJ 08034

"We all declare for liberty, but in using the same word we do not all mean the same thing. With some the word liberty may mean for each man to do as he pleases with himself and the pro-

"Lease Land, Not Tax It"

Raymond Abrams, the oldtime Georgist who has been the Director of the HGS in Miami, has written an attractive book entitled "Total Tax Relief."

Mr. Abrams emphasizes L.O.V.E., meaning Lease Our Valuable Earth rather than favoring taxes.

The book begins by taking a stand against the IRS, or as he calls it, "The Infernal Revenue Service." As you can see, Ray has an informal easy-to-read style of writing and uses many specific examples to liven up his book.

True-blue Georgists will find all the usual true-blue Georgist ideas in this book, but there are some new angles. For example, he suggests that 50% of the L.O.V.E. revenue go to the city, 25% to the country, 15% to the state, and 10% to the federal government.

Ray includes some interesting information about himself. He is a product of the basic *Progress & Poverty* course at the NY HGS and he has been preparing to write this book for forty years, although he first put pen to paper in 1983.

The book is published by Carlton Press and is priced at \$7.95. Readers of *Equal Rights* who wish to read an up-to-date version of Georgist economics can write to HGFA (10329 Log Raft, Columbia, MD 21044) for a copy. We will promptly reply.

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, 10329 Log Raft, Columbia, MD 21044

duct of his labor; while with others the same word may mean for some men to do as they please with other men and the product of other men's labor."

Abraham Lincoln

Don Pinson — Georgist Candidate!

Only "GEORGIST" candidate for election to assessors office in U.S.---Advocating and will propose to legislature SITE VALUE TAXATION--- "HOMEOWNERS ARE PAYING LANDHOLDERS TAXES"---Present assessor appraises vacant land at from "2 to 20 times less than "FULL CASH VALUE" Clark County, Nv. (LAS VEGAS) Population 550,000.

NRS 361.227 States: All land and improvements to be appraised at FULL CASH VALUE...Present assessor violates this simple law, forcing homeowners to subsidize land holders.

PLEASE SEND CONTRIBUTIONS TO:

MEMBER...

INTERMOUNTAIN SINGLE TAX ASSOCIATION

"Tax Land Not Improvements"
3593 E. Rawhide Street
Las Vegas, NV 89120

Trinity Church: Richest Landlord

At the head of Wall Street, fronting on Broadway, is one of New York's richest landlords, Trinity Church. Its holdings - a land grant Queen Anne of England made to it in 1705 and bequests of large farms by early settlers - once extended along the Hudson River from about St. Paul's Chapel at Fulton Street to Christopher Street in the Greenwich Village area.

Were it not for a favorable decision in the courts, Trinity would be just another poor parish today. After the great fire of 1776 reduced Trinity to a smoldering heap, a group of American revolutionists challenged her right to rebuild. They held that the fidelity of two of the church rectors to the loyalist cause had discredited the church; that its special status as the established Church of England in America under a royal charter was no longer valid now that the city had become part of the newly created State of New York; that the lands no longer belonged to her. Through passage of the New York State Act of 1784, however, Trinity was enabled to build chapels throughout the city with the income derived from the vast properties. It is the rentals from her large landholdings which have made Trinity one of the world's wealthiest corporations today. Leasing the land instead of selling it, Trinity was able to amass a fortune, as have other great land-holding institutions, such as Columbia University, owner of the property on which Rockefeller Center stands.

extracted from FODOR's tourist guide

Plaque Ideas Needed

Your organization wants to prepare an 8-1/2" x 11" plaque engraved in metal of a quotation from one of Henry George's works. We want to do it up nicely for permanent safekeeping at a local library which has agreed to accept this gift with the safekeeping qualification - or maybe we would like to get the Library of Congress or New York Public Library to do likewise. We would also like to prepare such plaques in nice plastic for our numerous contributors of \$500 or more.

Which quotation should we use for this purpose? This is a small problem and we request suggestions from our readers. Just write to us and let us know which selection from one of Henry George's works you think should receive this treatment. This will be very much appreciated.

Without economic freedom, no other freedom can endure. -- Benjamin Franklin

Combined Budget

Printed below is our Combined Budget (HGFA* CSE* Common Ground) for July 1, 1986 to June 30, 1987.

INCOME

Contributions	\$28,000
Dividends and Interest	9,000
Subscriptions (Incentive Taxation)	3,000
Sale of Literature	200
Grants	33,800
Common Ground	1,000
Misc.	150
	<u>\$75,150</u>

DISBURSEMENTS

Rent	\$2,250
Wages	52,800
Contracted Services	1,000
Administration	5,500
Incentive Taxation	4,000
Equal Rights	1,000
Grants	1,000
Travel	2,500
Postage	2,000
Telephone	1,500
Common Ground	7,500
Insurance	1,500
Legal Fees	1,000
Conference	700
Advertising Campaign	5,000
Misc.	400
	<u>\$89,650</u>

Latest Big News: we have just hired an Executive Assistant - Gary Dodson (brother of Edward). He will enable us to handle the expanded volume of work that is coming in. He will also provide continuity to our operation. He will supplement our secretarial staff - Julie Queen and Mary Jane Blose (who is working part-time, handling mailings, in Indiana, Ps.).

Steve Cord

Tax Breaks from THE WALL STREET JOURNAL 6/86 [Cont'd from page 1]

Although I hate to admit it, George Gilder, writing in these pages a week ago, put his finger on one of the key overlooked blessings of tax reform: It will probably drive down the price of land.

As the late Henry George famously pointed out, wealth accruing in land operates like a tax on the productive factors in the economy, labor and capital. His solution was to lower the value of land as close as possible to zero by taxing away all of the return, or monopoly rent, and using the money to reduce (or, in his ideal, eliminate) taxes on the productive factors.

Our tax policy for the past few decades—and especially since 1981—has been

Generous tax breaks have not increased the supply of housing or made it more affordable. Most of the value of these breaks has simply been capitalized into higher prices for land and existing structures.

the exact opposite. Through a dozen tax breaks ranging from the home mortgage interest deduction through rapid depreciation for buildings, we have taxed the return on real estate far less than the returns on labor and on other forms of investment. Mr. Gilder discussed the beneficial effects of reducing this tax subsidy in the area of commercial real estate. Similar benefits will come from reducing it in the area of housing.

In a society where home ownership represents a significant fraction of the typical voter's net worth, the thought of plunging home prices is a potentially useful panic-

Fort Lauderdale News 2/85

Land value taxation would be fair system

Gov. Bob Graham was reported in the newspaper Jan. 26 to have said in a recent speech that developers have pocketed the profits of housing developments, shopping malls and other population-growth incentives, leaving the public to bear the cost of new roads, sewage treatment plants and other government services.

If it is morally wrong for real estate developers to take unfair advantage of our lopsided tax structure, I suggest that the governor and legislators take the necessary steps as soon as possible to correct this condition.

Most people are aware that real estate profits are composed of two elements. One is the profit derived from the construction, sale and leasing of buildings and other improvements produced by human labor. Such activities are conducive to improved living conditions and should be entirely exempt from taxation.

The other element is the steady increase of land value which, in South Florida, is of enormous magnitude. The term used by economists to describe this latter element is "unearned increment," which the dictionary defines as "an increase in land value due to natural causes, such as population growth, and not to any exertion and/or capital outlay by the owner." In other words, unearned increment is a community-created value and the taking of such profits by private individuals, while legal, morally is wrong.

B.J. Eichert
Fort Lauderdale

critical response!

Land profit scheme must be subtle satire

A recent letter writer's suggestion that the government collect all profits from the sale of land instead of the goodly portion it does now qualifies as a masterpiece of subtle satire in a democratic country.

I hope he was being funny. Even if he is serious, it would still be funny if not so dangerous.

Twenty-five years ago, when I tried to sell Davie land to moneyed investors, many laughed in my face.

They told me how much interest they could get on their bank accounts or about dividends they were drawing on their blue chip stocks. The IRS refers to this as "unearned income."

[Cont'd on page 6]

"Dirt is much more valuable than diamond rings."

— Singer Eartha Kitt on why she bought two New York City apartment buildings in 1954 for \$91,000 and \$81,000; they're now worth more than \$2 million each.

USA WEEKEND • MAY 16-18, 1986

Rewards of Struggle

Our companion organization C.S.E. was brought to life in 1980 by a gift of \$32,000 from the New Jersey Henry George School. The founder of that organization was George L. Rusby, who in July 1897 received a letter from Henry George, who wrote in part: "It may be a long, long struggle, but to see the truth and do what one can to spread it brings its own independent and rich reward."

We only fail if we fail to try

inducing device for tax-reform opponents. But who actually would be hurt by lower house prices? Young people who don't yet own their first home would obviously benefit. People in their middle years who already own a home but someday will buy a bigger one (or a second one) also will benefit: Their property may be worth less, but so will be the property they wish to buy.

The only group hurt by lower house prices will be older people selling their last home. Yet most of these people have benefited from a historic rise in the value of houses over the past couple of decades. If a small fraction of this magnificent windfall is reclaimed for the benefit of younger home buyers, this is hardly an injustice.

Man's inhumanity

When will man end his inhumanity to man?

The Dutch sailed to Africa with Bible in hand. The Africans got the Bible and the Dutch took their land.

The missionaries sailed to Hawaii with Bible in hand. The Hawaiians got the Bible and the missionaries took their land.

Until the world recognizes the need for land value taxation this unjustness will continue worldwide.

The Band-Aid attempts of "We are the World" charities and the churches will not cure the problem of apartheid and poverty and our national debt will continue to rise.

Governments do not have the moral right to tax labor and man-made products. They are private property.

Land should be taxed at 100 percent of market value to ensure liberty for all. Land is community property. Ask any American Indian.

Charles E. Grant
Mill Valley, CA

Fort Lauderdale News 10/85

Tax hike a disincentive

An Oct. 14 article pertaining to taxes quotes Coconut Creek City Manager Dennis Mele as follows: "For example, a guy builds a garage behind his house or builds a pool or puts in a screened-in porch. Shouldn't someone who increased the value of their house by building something onto it pay more taxes? I think you'll agree that they should."

No, I do not agree. When a guy improves his property, he benefits the community by providing employment, putting more money into circulation and so on. When we raise his taxes, it is like penalizing or fining him for doing something good.

If he breaks the law, he is only fined once, but when he improves his property, he is fined this year and every year thereafter as long as he owns the property. We even go so far as to lower the taxes for the guy who allows his property to deteriorate, which is like rewarding him for helping to create more slums.

"We have always done it that way" is not a valid reason to continue an unfair system. We should switch to the Graded Tax Plan (GTP), which Pittsburgh has been using so successfully for many years. The bottom line proves that GTP has either lowered taxes for the majority of homeowners, including owners of condos and co-ops, or has avoided increases which might otherwise be necessitated by higher expenses.

B.J. Eichert
Fort Lauderdale

Letters to the editor

Putnam County Sentinel
Ottawa, OH 7/86

With all the talk of "Free Trade" the past few years no one has mentioned a book on "Free Trade", written just a century ago, by Henry George, author of a more widely read and sold book on economics "Progress and Poverty". But George pointed out in "Free Trade" that abolishing all tariffs was not enough, although he was an ardent proponent of free trade, since he was opposed to all taxes, of whatever kind, on production, or wages, or the product of labor, including services!

He showed, in "Free Trade", that adoption of it without imposing a charge on holding land, equal to the rental value of that land, would, only further enrich the land holders. This would provide sufficient revenue for all legitimate governmental operations, and promote truly free trade, national, as well as international.

Most present day political figures abhor the ideas of Karl Marx, condemning them as "communistic", but when it comes to "taxes" these same people endorse the "communistic" principle of "taxation according to ability to pay"! When will they ever study Henry George's ideas, and find out what a true "free enterprise" economic system is?

Woodrow W. Williams
Rimer

WALL STREET JOURNAL 3/86

The Airwaves Belong to the Public

... In the end, however, you take the position that networks are private institutions whose decisions, however justified or unjustified, are their own to make. At first glance, that might seem to be the proper opinion of anyone concerned about private-property rights.

But the airwaves are not the networks' private property. The airwaves belong to the public, and the FCC, acting as agent for the public, licenses their use to safeguard the public's property according to carefully spelled out conditions of free, fair and balanced access. The distinction, simply, is one between ownership and stewardship. . .

J. PETER GRACE
Chairman and CEO
W. R. Grace & Co.

New York

The writer is former chairman of the President's Private Sector Survey on Cost Control.

Lima [Ohio] News 3/86
Taxes & Land Values

A 48-acre tract on my farm was valued at \$4,360 at 19 mills for a tax of \$83 in 1925, when the going price for farm land was about \$150 an acre. The same tract today is valued at \$11,740 at 39.57 mills for a tax of \$464.55, but land in Sugar Creek (Putnam) is selling for around \$2,000. But more: The 10 percent "roll back," plus a "deduction" drops the net tax to \$360.74, which is only a bit over four times as much as 1925 on land at least 12 times a high in the market today.

Woodrow W. Williams,
Columbus Grove

The News-Journal papers
Wilmington, DE 6/86

George foresaw problem

How would Henry George, America's turn-of-the-century economist and philosopher, have viewed Hands Across America? In his seminal book, "Progress and Poverty," Mr. George foresaw increasing poverty as an inevitable byproduct of even our free enterprise system.

If he were alive today, Mr. George would probably be both elated and disappointed by the "joining of hands," elated because recognition is a necessary first step towards a problem's solution; disappointed because a one-shot outpouring of concern and money fails to identify root causes or remedies.

Perhaps if today's young people perceive that homelessness is growing despite the billions spent on government housing programs, and that hunger is growing despite extension of welfare and food stamps, they will demand renewed attention to Mr. George's plan: reform of property taxes to convert

them into land value taxation, an effective means of promoting privately financed economic growth — especially new jobs and new construction — and of eliminating special privilege associated with land ownership.

If implemented, such a fundamental tax reform could remove barriers to employing and housing the urban destitute and provide homes for working families (the new "homeless") who cannot afford them now.

FRANK NELSON
Newark

Land Reform Began Taiwanese Miracle

Proselytize!

How to define the Taiwan experience or the Taiwan "success story"? First, Taiwan is a melting pot of peoples from all across China. When the national government moved from the mainland to Taiwan in 1949, the island's population stood at about 5 million to 6 million. About 2 million more came along with the government. America's melting pot of talent has helped make it the great country it is today, and the same is true of the melting pot that Taiwan became with the gradual merging of the new arrivals and the earlier settlers into a homogeneous whole.

Credit must also be given to government policy. The government of the Republic of China has always placed greatest impor-

tance on political stability as a prerequisite for development and progress. To ensure this, soldiers are kept out of politics. As a result, for 30-some years Taiwan has never experienced a military coup d'etat or any military interference in the government, unlike the majority of other Asian nations.

As for economic development, the government has adopted strategies and priorities conducive to rapid growth. The government appropriated funds for the rehabilitation of public enterprises, and as the economy prospered, a number of these public enterprises were transferred to private hands. The development began with land reform and rural reconstruction, then light industry and then heavy industry.

Poverty and inequality are hotbeds for the spread of communism and social unrest. Taiwan is notable for its equitable distribution of income. Today, the ratio of the income of the top 20 percent of households to that of the bottom 20 percent is 1-to-4.3 — perhaps the world's lowest.

Premier Yu Kuo-hwa
extracted from

INSIGHT MARCH 31, 1986

Jack Kelly

[Cont'd from page 1]

Advocates of the George taxation theory exist in several countries. But none, I'm sure, were more dedicated than Jack. He recently sent a book on that system of taxation to Corazon Aquino, the president of the Philippines, saying its adoption there would cure problems of wealth distribution in that nation.

Jack got close to seeing Scranton adopt the George system of taxation in 1982. He was excited over the prospect because while many communities — including Scranton — had used modified versions of the system in the past, that would have been the first time in the United States that a really tax would be levied only on land.

However, the proposal ran into problems and the plan was killed. Jack was disappointed. The last day I had lunch with him he said the downtown would have been revitalized by now had the tax been levied just on the land.

Jack, incidentally, was instrumental in getting the U of S a \$100,000 grant from the Robert Shalkenbach Foundation of New York to encourage Henry George research.

Jack was an extraordinary person in many ways. He hadn't gone to college but it was years before I ever knew that. He was so literate, so analytical, and was such a good writer and talker, I assumed he must have had a fine education. However, he started with just a patched-together high school education and — driven by an insatiable thirst for knowledge — taught himself everything else. He did that so well the University of Scranton honored him in 1982 by naming a scholarship in his honor.

Joseph X. Flannery, from The Scranton Times 7/28/86

"There is one thing stronger than all the armies in the world and that is an idea whose time has come."

Victor Hugo

"What one man can imagine, Another can achieve."

Jules Verne

The Last Bite

Your Keogh plan and IRA
Are savings for a rainy day,
But don't forget this basic maxim:

Before it's done, someone
will tax 'em.

—R.W. Malcolmson.

Equal Rights

Center for the Study of Economics
10329 Lograft Court
Columbia, MD 21044

Opportunities to proselytize the George idea can be found most anywhere. Take for instance, the wonderful old Windjammer sail off the gorgeous Maine coast that my wife Eloise and I enjoyed for a week in July.

There, amidst magnificent scenery, the cruise offered a perfect setting in which to inject a little Georgism while getting acquainted with the other 26 passengers and discussing jobs, hobbies, travel, hometowns and the world in general. No need to come on too strong, only enough to whet their interest, together with promise to follow-up with some info in the mail. Only one person had ever heard of George. That's why a Catholic bishop and priest in Ohio, two schoolteachers in Appalachia (KY), an architect and journalist in Texas, a land surveyor in New Hampshire, and an artist in Rhode Island have now received copies of Anderson's "The Earth is the Lord's" or similar tracts. Try it — you'll like it, and find it an effective way to "spread the word."

Frank Nelson

critical response! [Cont'd from page 4]

Jonny-come-lately land buyers come into my office daily — some of the same ones I knew 25 years ago — moaning about the price at which they "could-a bought" the same land then.

They still have their unearned income from their bank accounts and blue chips which they have enjoyed for years with no effort except cashing their checks.

Those who bought land have struggled with taxes, fluctuating farm income, mortgage payments, drought, floods, freezes and animal diseases.

How dare they expect to keep any of the profit from the sale of their land? If the writer is serious, he apparently doesn't have two pieces of land.

Edna H. Moore
Davie

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