

# Equal Rights

To The Earth's Resources

WINTER 1986-87

## Scranton Does It Again!

Scranton has had a two-rate property since 1913 - a lower rate on building assessments than on land. In 1980, it nearly doubled its land tax rate, lowered its effective tax rates on buildings somewhat, and then proceeded to enjoy a construction spurt substantially greater than neighboring and comparable cities, even in the face of the early-1980's recession.

So much for history - now for current events.

Scranton's federal-revenue share, like that of all other cities, has been completely eliminated. Certain other costs have been increasing. To make up for the lost revenue, the City Council in December voted unanimously to increase the tax rate on land by 16.2%, keeping the building tax rate at the 1986 level.

Thus, the new municipal rates for 1987 are 4.375% on land assessments and 0.8% on buildings. The land-to-building rate ratio is now 5.47:1 (previously 4.45:1).

The alternative, discussed in Council, to a land tax increase was a wage tax increase. Councilman Michael Melnick (a careful reader of Incentive Taxation) and Thomas Gilhooley (finance chairman) made the case for the land value tax, saying that if Scranton taxes jobs, there'll be fewer jobs in town. Jobs will leave town. But if land is taxed instead, then we can be sure no land will leave town. In fact, land sites will be more efficiently developed, creating jobs thereby.

Councilman Melnick reports that the land tax helped to mollify the rather large audience in attendance at Council when the tax increase was being debated, because the land tax would be kinder to most homeowner-voters than the equivalent wage tax would be. That relaxed the audience somewhat. The tax increase was easier to swallow.

Alas

But the land tax victory was diminished somewhat because the Council also imposed a marked increase in the business privilege and mercantile taxes. Rather than burden business with these tax increases, the Council might have raised the land tax rate by an additional 8.4 mills (0.84%) instead. Business taxes are bad taxes. They hurt business by making it more expensive to conduct business in town. That lessens jobs. If businesses succeed in raising prices to cover the extra tax cost, then the purchasing power of consumers is lessened (equivalent to a wage decrease).

A land tax can't lessen wages. It can only spur the economy, thereby raising wages. Maybe next year, Scranton's City Council can shift those business taxes onto land.

As reported previously, this past year also saw two more Real-World victories - in New Castle and Duquesne, Pa. These two cities increased the spread between their building and land tax rates. We had to sweat bullets and push hard to get these victories - we guarantee that if we hadn't there would have been no victories.

STEVEN CORD

## Henry George

We recently discovered a half-tone engraving of Henry George lurking in our files. It must be at least 50 years old. We ran off a proof of it (cost \$20) for our Equal Rights readers to see.



## Try "Benefits Fee" rather than "LVT"?

As Henry George argued in *PROGRESS and POVERTY*, those taxes necessary to finance warranted public expenditures ought not to be levied against current production of goods and services (income) or accumulated producer goods. Income taxes deny producers the deserved rewards of their efforts. And taxes on either commodities or capital improvements discourage both production and consumption. Land taxation, on the other hand, expropriates none of the rewards of labor but instead exacts a "benefits fee" of land rent that derives in large part from publicly financed projects such as roads, sewer and water lines, lights, and such that have increased the economic value of the land. In this regard, it is not a tax at all but a public charge for services rendered.

American Institute for  
Economic Research

If past experience teaches anything, it is that enduring human progress, if it is indeed achievable, usually comes piecemeal -- and very slowly.

"Know the truth,  
and the truth  
will make you free."

In all of our cities the value of land, which increases not merely with the growth, but with the expectation of growth, operates to check building and improvements.

—Henry George

## Equal Rights

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

### Election Post Mortem

This title is appropriate since I did get buried...Not only in the election final vote...3 to 1 in favor of the incumbent assessor Jean Dutton (male) but in everything that led up to the balloting...

...let me tell you that I started this battle 10 years ago when I discovered what was happening...I wrote of these vast inequities in land appraisals and spoke of them at every opportunity, then four years ago I learned of a group called the SCHALKENBACH FOUNDATION and of a great man and humanitarian...HENRY GEORGE. I read PROGRESS and POVERTY and everything WALT RYBECK and EARL HANSON sent to me...I marveled at the genius of George and am inspired daily at his God given insight into things humane...I know of no man before or since his equal. Well, I was hooked, blessed or cursed, though I had been a Georgist in heart and mind long before they put a name to it for me.

...All my printed and oral words advocated LVT. Its a natural to speak of Incentive Taxation and equality in local property taxes. I don't believe anyone failed to understand the simple equation or the logic presented to them in my introductory remarks on LVT nor did they disagree or resent them...but I was unable to gain a forum from which to be heard. The two newspapers refused to print my news releases unless they were controversial or damning such as the announcement that I was suing Dutton in District court for Non-feasance in office...even then his reply was printed in full, though with little response to my charges, a lot of hyperbole and doublespeak...and I was not allowed to respond...Very madding...

Earl Hanson was there at the non-trial and was a witness to the Soviet style justice dispensed that day...Of course it shattered 3 years of hard hard work but it won't deter me...I'll win yet. The cause is too great and honorable to stop now regardless of wimp judges and crooked lawyers and assessors.

I will eternally be grateful for the individual Georgists' who supported me spiritually and with money but I wonder if the Georgists' Organizations would not be also in favor of financially supporting me in this endeavor...it may be the direction we must take...to win such elections and then from within...push for legislation to advance Georgism and LVT...perhaps as it has not

## Common Ground Meeting Oct. '86



Stanley Sapiro

Nick Tideman



Clay Berling, V.P. Common Ground,  
at recent Pittsburgh meeting of the  
organization.



Left to right: Nick Tideman,  
Stanley Sapiro, Marion Sa-  
piro, Richard Noyes, Dan  
Sullivan.

been done before...Otherwise we may be another hundred years making significant inroads.

**Don Pinson, Georgist**  
Republican Candidate, Assessor  
Clark County, (Las Vegas) Nv.  
Election, November 4, 1986

### ECONOMIC FREEDOM

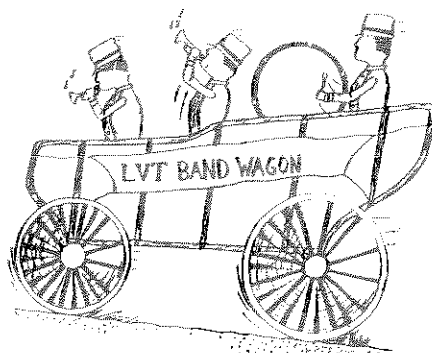
We would secure the largest production and the fairest distribution of wealth by leaving men free to produce and exchange as they please.

— Henry George

## Wanted: 1,000 Crusaders!

Notice that the cartoon of the "LVT VICTORY WAGON" has been revised to reflect reality...it isn't coasting down hill, but struggling **UP HILL** against the forces of gravity, public apathy and the opposition by vested interests. Indeed, any relaxation of effort by the small but persevering, perspiring band of wagon movers and the wagon will slide backwards, reversing earlier gains.

Your coeditors believe that we Georgists can help boost this LVT effort by many times over...right away! We're urging all Georgists everywhere to pledge that individually, in addition to supporting the movement financially, they will personally, every week [or month] of the year, make contact with some official (elected or not), media publicist (local or not), community prime mover, or the general public. This might be by personal visit, phone call, short note, letters-to-newspapers and magazines, teaching a class, etc. No need to be eloquent in speech or writing. Just quote from, and include a copy of, *Incentive Taxation*, or one of the many attractive flyer handouts that the H.G.F.A. or C.S.E., or the Schalkenbach Foundation has available in abundance. Remember though, each pledge commits oneself to a minimum of about 30 minutes of time and 22 cents in postage for every contact. Even so, your editors are hoping that over 1,000 pledgers will write in saying that they will join the "1,000 Crusaders" in lighting many candles where there have been all too few.



We'll gladly print your names as we receive them in each issue, as you join the following "charter members": Ed Dodson, Frank Nelson, Steve Cord, George Collins, Mike Curtis, Dan Sullivan, Stan Frederiksen, Nadine Stoner, Earl Hanson, Woodrow Williams, Tom Lehmann, B.J. Eichert, Don Pinson, Wylie Young, Walt Rybeck, Max Flechner, Mary Davis, Larry Zimmerman, Frank Sneed, Joe Gibbs, Azizi Shalaby, James Busey, Robert King, Sam Venturella, Stan Rubenstein, Floyd Morrow, Jeff Smith, Harry Pollard, Robert Scrofani, William Filante, Richard Noyes, Colin Bonner, Allan Lubin, Joseph Casey, Philip Cotton, Neal Frederiksen, Louis Basso, Charles Byrne, Peter Casey, Joan Goebel, Irene Hickman, Erwin Kastrup, and Donald Killoren.

## "Crusader" Material Available

Our Foundation offices are gradually filling up to the overflowing with various pamphlets, books, reprints, articles, etc. We would be glad to distribute them to our readers, and I think our readers would benefit from having them.

The following is a list of these publications with prices following:

1. "Nation's Cities" reprints - \$1.00
2. "Land Rush: A Survey of America's Land" by Peter Meyer, an article in Harper's Magazine (Jan. 1979) - 25 cents
3. "Land Speculation and How to Stop It" - Reader's Digest reprint (July 1962) - 10 cents
4. "Expected Effects of the Land Tax on Harrisburg's Future Development" a study by C.S.E. - \$1.00
5. "Special Issue on the Land Problem in America" - House and Home (Aug. 1960) - 50 cents
6. "1,000 Words on Why we Should Tax Land Values More" - article by Steven Cord - Free
7. "Self-Supporting City" - an envelope size mailing pamphlet by Gilbert Tucker - free
8. "Housing and Slum Clearance at No Cost" - an envelope size mailer by Gilbert Tucker - Free
9. "The Impact of a Land Value Tax on Various Types of Property Owners in Bethlehem, Pa." - a study - \$1.00
10. "If Reagan Succeeds" - a pamphlet by Wylie Young - 25 cents
11. "Property Taxation: What's Good and What's Bad" - an article by C. Lowell Harriss - Free
12. "Reforming the Property Tax for Schools" - an article by Perry Prentice - Free
13. "Antidote for Madness" - a book by Wylie Young - \$2.00

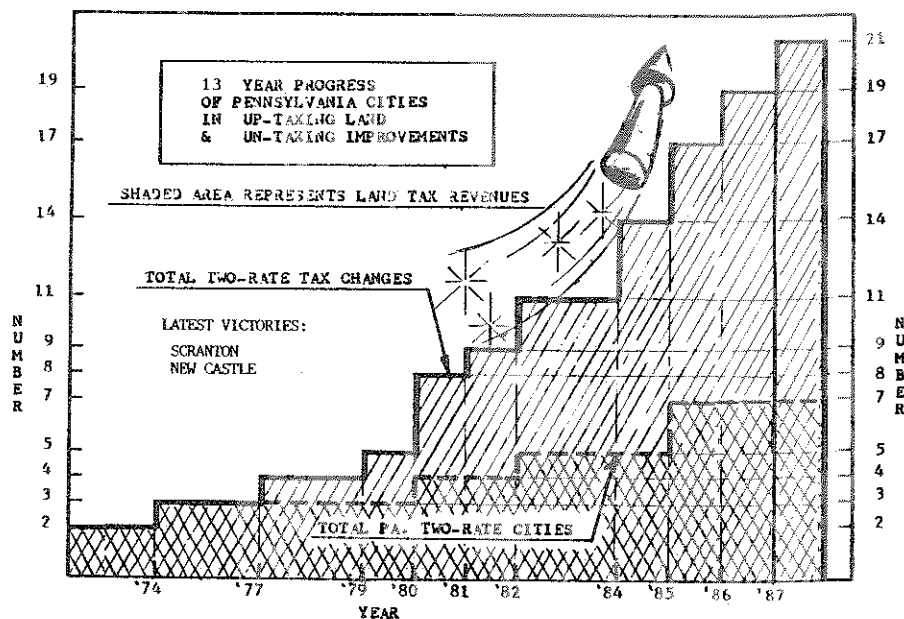
Catalyst - by Steven Cord \$5  
 Ethics of Land Reform - by Steven B. Cord \$3  
 Effects of Shift To Land Value Tax - by Dr. Eli Schwartz & Dr. James E. Wert \$1  
 The Interest Game - by George Wilson Lugg \$3  
 Total Tax Relief - Raymond Abrams \$5  
 Rating in New Zealand - Rolland O'Regan \$5

### THREE TYPES OF PEOPLE

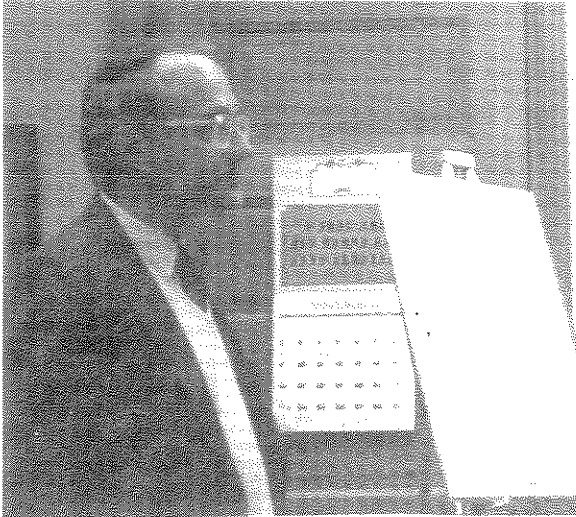
1. Those who make things happen
2. Those who watch things happen
3. Those who don't know what's happening

Don't keep the faith...Spread it around!

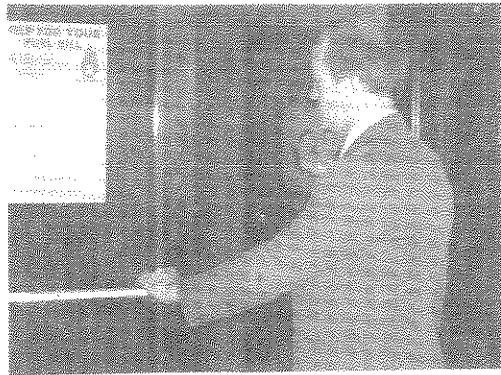
## DREAMS CAN ONLY REACH AS HIGH AS YOU DARE TO GO.



## *Your Foundation in Action*

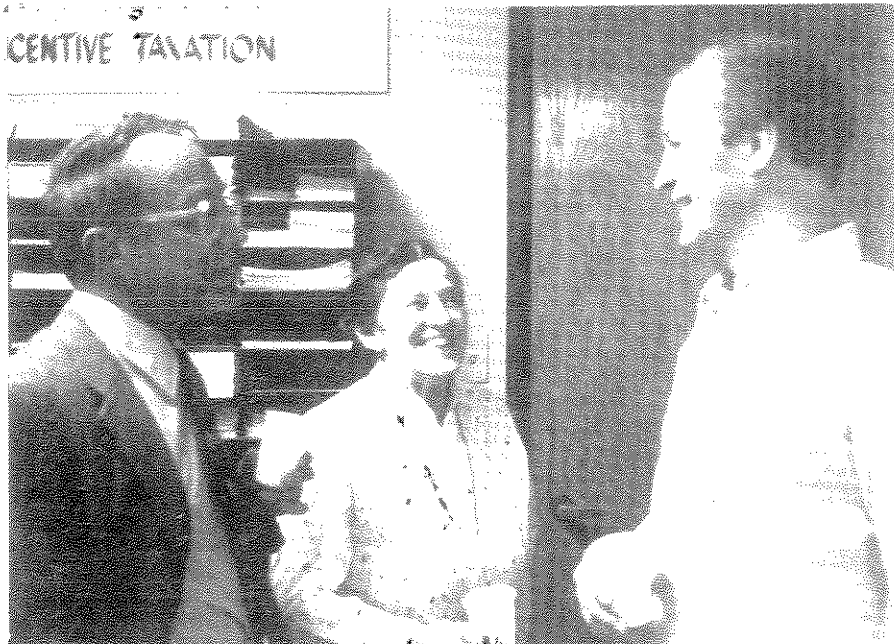


Steven Cord making presentation to Coatesville, Pa. City Council 11/86. They liked LVT idea but didn't buy it this year.



Calling at a City Hall (Connellsville, Pa.)

Steven Cord, after having testified at a City Council, with Mayor Thomas Duncan and Ralph Wombacker, Director of the Redevelopment Authority.



H.G.F.A., C.S.E., C.G. Office Staff:  
Steven Cord, Jean Windsor, Gary  
Dodson.

The greatest thing in the world is not so much where we stand, as in what direction we are moving.

—Oliver Wendell Holmes



## Readers' Forum

### Faith in Our Ideas

I recently read an article about the Freeman Institute, a Utah-based educational foundation. This group teaches a message which includes abolition of Social Security (to be replaced by voluntary plans such as IRA accounts), abolition of the income tax as well as virtually all federal regulatory agencies, and a constitutional amendment to restrict the powers of the federal judiciary.

The institute offers a 13-hour lecture series (also available on tapes for home study) as their basic teaching tool. They charge for the series and ask graduates to pledge \$10 a month to help spread the message. They claim that 150,000 people all over the nation have taken their course.

The institute also sponsors monthly dinner meetings at their Salt Lake City headquarters (a converted warehouse) which contains a lecture hall and media center along with staff offices.

Their work is an example of how to spread a call for basic reforms in the way we are governed. Our message is not any "farther out" from the mainstream of public thought than their's, yet they are able to reach out and attract the interest of a large number of people.

I am confident that we also can become a mass movement. First, I think we need an effective primer discussing the economic laws of production and distribution and especially demonstrating the impact on creation of wealth of various modes of taxation. Something like "A Handbook for Prosperity". We should advocate as our ultimate goal the abolition of all taxes on wages and interest coupled with public collection of rent through taxation. When people grasp the many and great benefits which would result from such a change, then they will work hard to achieve those initial breakthroughs (such as reform of the existing property tax) which otherwise would not attract much interest.

We need to have faith in the power of our ideas. We only need to cast out the seed. The rest will take care of itself. We need to lay out our message in black and white. It need not be a literary masterpiece - the ideas will shine through the words.

**Frank D. Walker**  
2828 Aquino Drive  
Sacramento, CA 95833

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

I hold that land belongs equally to all, and that land values should be shared by all.

— Henry George

## Henry George Foundation of America Center for the Study of Economics Common Ground

OUR THREE ORGANIZATIONS  
HAVE JUST MOVED INTO NEW  
COMMERCIAL OFFICES AT 2000  
CENTURY PLAZA (238), COLUMBIA  
MD 21044. OFFICE 301-740-1177.  
AFTER HOURS 301-997-9232.

### Max Writes!

Our good member, Max Flechner, has done it again - he has written excellent letters to the editors of seven newspapers. I would particularly commend this paragraph to you:

"In Hockey and Baseball competition between the U.S. and Canada, we exchange talent, Canadian or American. Despite the differences in monetary exchange, we welcome the competition. Athletics is one form of competitive goodies; lumber is another. A free market encourages healthy competition. A monopolistic market spells economic chaos."

Max was writing in support of free trade on lumber - recently the U.S. put a tariff on Canadian lumber imports.

### 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, 2000  
Century Plaza (238), Columbia, MD 21044

### Taxes Will Shift

Our solons promise we will soon enjoy a great tax reform, but which in reality is a piece meal solution and stop gap legislation. It will bewilder the masses with economic nomenclature until they realize they have again been duped. Taxes will be shifted from shirts to socks, from dresses to shoes, in a spurious attempt to reform a vicious system. We will take home \$10.00 more in our paychecks, only to learn that it will cost us \$12.00 more to buy food, utilities and merchandise to which the taxes have been shifted.

During the quassi erudite Congressional discussions, there is no criticism of our tax system in to-to.

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

## Encourage Work Via LVT

We all live from work. If you tax work, less work will be done, and unemployment creates more unemployment.

L.V.T. will make it more profitable to work, and more work will be done, wealth will grow. Employment creates more employment.

When L.V.T. is employed, land speculation will ease off. Inflation will stop, and speculation money will be invested in production. Then the rate of interest will go down. Initiative will grow and create more jobs. Unemployment will fall, and less taxes will be needed, without reducing welfare - nobody needs to get poor, and no country needs to have recessions.

We cannot promise that land prices will decrease drastically, but most of the rise will stop: only land held back for speculation will drop in price.

Any disadvantage you could think of would be more than balanced by the enormous advantages to the whole community.

We can therefore put a conversion plan on the table without hesitation. But first we need to value all land at the full market sales value, and that is very easily done. Maps covering each area must be accessible for everybody at the town hall.

In Denmark we assess all land every four years, based upon latest actual sales (probably the only country in the world).

As land value is dependent upon income possibilities, it will almost be of the same amount in all developed industrial countries.

The total value in Denmark was in 1981 assessed at Dkr. 320 bill. Based upon this figure the value of all land in the U.K. (taking the population number in account) should be round figures £ 300 bill. and in the U.S.A. \$2,000 bill. Thanks to new electronics, all land could easily be reassessed every year.

To meet opposition, especially from farmers, it might be an idea to exempt the first \$ 1,000 per acre of all land (\$2,000) from L.V.T. In the long run the total L.V.T. revenue will be almost the same as without such an exemption.

**Knud Tholstrup**  
Vester Farimagsgade 1  
1648 København V. Denmark

### THE EXCEPTIONAL TAX

All taxes hurt the economy-right? Wrong. All taxes except one hurt the economy from either the supply side or the demand side of the market. Ironically, the exceptional tax that helps the economy is the least used. Consequently, harmful taxes are higher than they otherwise need be.

**R.E. Morris**

# Letters-to-Newspapers

Atlanta Constitution 3/86

Hartford Curant 10/86

## Formula for Housing

ATLANTA — Two recent items in The Constitution about the way that the high price of urban land hinders the construction of affordable housing in Atlanta have prompted me suggest an effective solution to the problems.

The first, a February 18 article by Staff Writer Tom Walker states, "Private developers say the high cost of centrally located land discourages efforts to build downtown housing." High land prices are always bad news. Production, including construction, slows; employment opportunities decrease, and blight ensues. "Idle land means idle hands."

There is no substitute for free enterprise in meeting a problem as complicated as the problem of urban development. And there is only one answer to this problem: a much higher tax on the value of land and much lower tax on buildings. The rates on each may be adjusted to bring in the amount of revenue presently required.

Such a tax would result in lower land prices and would bring more building sites onto the market. It would also be an incentive to build more and better housing and to rehabilitate existing buildings. Even the much-maligned "slumlord" might repair his houses if he could be assured that his taxes would not increase. The present system actually subsidizes slums with lower taxes on neglected buildings. Many studies show that by up-taxing land and down-taxing buildings the vast majority of homeowners would find their tax bills reduced.

MARY R. DAVIS  
President Common Ground  
Atlanta Chapter

## What Property is "Private Property"?

...A person should be able to buy a home, farm, or business, pay it off, and leave it to his children, grandchildren, and ultimately great-grand children, without the government being able to come in and sell it for back taxes. With a property tax, we concluded that people were simply renting their property from the government (for the property taxes) and the government could come in and take over if one did not continue to pay the "rent" (property taxes). Thus, if there is any type of property tax at all, property is really not "private property"; it is - in the final analysis - government property that is being rented to individual citizens...Anonymous

The lead editorial in the October 11, 1986 N. Y. Times, entitled "How to Divvy Up the Airwaves," provokes further consideration of equity in taxation.

The Times leads off by saying "Energy companies pay for oil and coal from Federal land. Restaurants pay for the right to serve the crowds in the national parks. Why shouldn't private users pay for the communications spectrum, a Government resource that's every bit as scarce and valuable? The right answer, for two important reasons, is that they should. Auctioning vacant airwaves would raise billions for the Treasury."

Whether it's Federal land, airwaves, or the value of private land-value caused by the proximity of people, e.g. highways, etc., "that's where the action is," and any deviation from taxing such sources is merely exacerbating inequality, promoting monopoly, and diminishing freedom in an economic democracy.

Ours is an "Alice in Wonderland" economy-we discourage improvements by taxing them high and encourage slum land, idle/vacant land, by taxing low.

Max H. Flechner  
683B Heritage Village  
Southbury, CT 06488

## The Courier [Ohio] 10/86

There is gnashing of teeth over the demise of "Revenue Sharing." But local officials seem blind to the almost "un-taxed" item in our economy--basic LAND! Our property tax has become more like an income tax, with no appreciable tax on vacant unused land, much of which is held in speculation. In the name of "private property rights" LAND is almost tax free, while anything built upon it, or any improvement to it is taxed heavily!

Beginning with a small income tax during the Civil War, our Federal Government finally got the sixteenth amendment to tax income. Along with this, of course, had been devised a host excise taxes, tariffs on imports, etc., at the Federal level. Prior to the Civil War our Nation was run on land based revenue, through the sale of Western lands, and even a national "property" tax. The principle was basically that taxes should be paid according to public services enjoyed. But gradually the Marxian notion of taxation according to ability gained favor--even from those who condemn Marxism or Communism!

Woodrow W. Williams  
17500 Road U Rimer, OH 45830

## A Topsy-Turvy Tax

When I put some expensive improvements on my house, my real property tax goes up. If I let my property run down, my tax would be lower. I can't imagine a more inefficient and illogical way to run a community or a government.

Much of what we currently deplore as "urban blight" is the result of this topsy-turvy state of affairs. It encourages speculators, slum owners and absentee landlords. It discourages owners who want to improve their homes or their farms.

The real property tax is based on the market quality of the property. If I buy raw land and do nothing with it, waiting for the price to increase (as it inevitably must in our expanding population), I pay comparatively little in taxes.

Under such an Alice-in-Wonderland system, it is hardly surprising that the nation's urban complexes are filled with blight, sprawl and greedy speculation; and that any program of urban rehabilitation, construction and development is hamstrung from the beginning.

But what if we took the tax off the improvements and put it on the land? Then nobody would be penalized for improving his property and adding to the value of the community; contrariwise, the incentive to speculate in land would be removed, and both the urban slums and the suburban sprawl would no longer pay rich dividends.

Every year our living, working and playing space gets more cramped and more expensive. The population explosion is driving more and more people from little towns into the big cities; and from the heart of the cities to the peripheries, where suburban slums are now springing up.

The whole theory and practice of our real property taxes cuts across the grain of American history and political economics.

If we took the tax off the improvements - as we take the tax off other activities we want to encourage, such as charitable contributions - then the land-grabber would no longer get rich by sitting on his property until the need for space is so great that the potential buyers are willing to pay almost any price. And the speculator would no longer profit by squeezing the most housing into the smallest space, as so many of those shoddy suburban development firms have been doing.

Today the more a landlord lets a building deteriorate, the less he pays in real estate taxes, even though he may be making unconscionable profits by converting three apartments into 12. And the owner who wants to rehabilitate such a building pays a high premium for restoring the community value. Wouldn't it be exactly the other way around in a well-ordered society?

The Best of Sydney J. Harris 1976

## From the Media—Briefly Noted On Growth

### THE WALL STREET JOURNAL

From a report co-authored by William E. Simon and Michael Novak on the U.S. Roman Catholic Bishops' Pastoral Letter on the economy:

Experience shows that God gives abundant economic talents to the poor, and that, where the law and institutions favor enterprise, the poor can in massive numbers and in a short time exit from poverty, through the use of their God-given talents. Each person, Christians believe, is made in the image of the Creator. Each is capable of economic creativity. Thus, nations such as Japan, South Korea, Hong Kong, Taiwan, and Singapore have grown spectacularly from the ravages of World War II, multiplying their per capita income 10 to 15 times during a single generation. The pastoral letter of the U.S. bishops fails both to point out these universal possibilities and to encourage the necessary institutional reforms.

**Ed: Why not our reform?**

Pakistan is a poor, largely illiterate country, deeply divided into four major ethnic groups. The gap in living standards between the landowning elite and the upper reaches of the civil and military services on the one hand and the mass of Pakistanis on the other is wide.

### Renting Farm Land

With a new attitude about tenancy and a cynicism about the future, young farmers are shying away from owning land. Instead, it's older farmers and investors who are divvying up the failed farms.

#### The New Buyers

Farm brokers say about 90% of the farmers buying land last year were near-retirement-aged farmers adding to their landholdings. As a result, the size of the average farm is increasing. And city investors, such as doctors and lawyers, accounted for as much as 38% of farm sales, doubling their typical share of the farmland market. As they round out their investment portfolios with land, the percentage of acreage rented—rather than owned—by farmers is increasing steadily.

Proposals to rewrite the 1985 Farm Act include trimming price supports and big farmers' payments. Another plan, the "save the family farm" bill introduced by Midwest senators, would cut grain support payments by limiting production and tying production rights to the land. The proposal has gained favor among family farmers, but Donald Paarlberg, economics professor emeritus at Purdue University, warns that it resembles the "entailment of estates"—the system of a limited class of landowners—against which the American settlers originally rebelled.

He prefers the direction in which we're headed: more land held by investors instead of single families. Though perhaps unsettling, "it's inevitable," he says.

What can be done to permit growth that balances the needs of business with the very real concerns of citizens about the quality of life in their communities?

Finally, business and developers must formulate a more satisfying vision of what the newly created urban village cores should be.

*Who can blame suburbanites for fighting commercial projects when they see little more than could-be-anywhere tall buildings surrounded by surface parking lots?*

Plenty of land is available on the vast surface parking lots, which can be redeveloped into high-density housing and entertainment uses, putting the cars into aboveground or underground structures.

Either business takes the lead or slow-growth/no-growth citizens' revolts will be the only thing growing rapidly in our metropolitan areas.

Mr. Leinberger is a California-based real-estate consultant.

### Consumption Tax Coming?

Later in the hearing, when asked whether raising taxes in the wake of last year's tax-overhaul bill would disrupt business planning, Mr. Volcker mentioned energy taxes and consumption taxes as "things you can do on taxes that don't affect" last year's income tax revision.

Insight/March 31, 1986

The deficit fosters cries for higher income taxes so it can be reduced - while more and more Americans are rebelling against the tax load and turning as an alternative to the underground economy, in itself a major economic and social problem and a burden to the majority of working people who pay their fair share of taxes.

In our view, fairness and practicality alike demand that any fresh assault on the budget deficit ought to tap the underground economy at the same time. We believe that what's needed is something new - a remedy that's working elsewhere but hasn't been tried yet in this country. It's a remedy that wouldn't impede investment and job creation. Now would it impede America's ability to compete overseas. It's time to start debating a national tax on consumption. 1985 Mobil Corporation

## Who Owns London?

**Q.** My folks, who are in the real estate business, say that the entire city of London is owned by a young man of 26 named Grosvenor. Can this be true? If it is, surely he is the richest man in the world. Why haven't we heard of him?

**A.** Gerald, Earl of Grosvenor, 26, has title to about 300 of the choicest acres in the Mayfair and Belgravia sections of London on which stand some 30 foreign embassies, including the U.S. Embassy on Grosvenor Square. Some 300 years ago Mary Davies brought what was then 300 acres of marshland to Sir Thomas Grosvenor as her dowry. Subsequently Mary Davies went mad, but Grosvenor and his descendants held onto the London marshland. Under English law a landlord is permitted to sell a leasehold to a plot of ground, usually for 99 years. The person who buys the lease may construct a building upon it. The lessee pays the taxes and upkeep of the building, but at the end of 99 years, the land and building revert to the landlord, who may lease them for another 99 years. The Grosvenors have done this for centuries.

The Earl of Grosvenor owns London property worth somewhere between \$500 million and \$1 billion. He also owns property in Scotland, Ireland, Canada, Australia, Hawaii and California. Income from property goes into a trust, which the Earl then distributes among family members.

Parade Magazine

4/23/78

The lowly potato is responsible for changing the course of history. In the 1800s, almost half of Ireland's population of 9 million existed entirely on potatoes. The majority were poor tenant farmers who owed half their labor and produce to a wealthy, often English, landlord.

As total subsistence, potatoes were deficient, leaving the people weak and sometimes starving. A family's supply often rotted or ran out before the next year's harvest. Times got even worse when English government agents turned acres of potato fields into cattle ranges to satisfy the beef market demands at home.

Total tragedy struck in 1845, when half the potato crop was ruined by blight. For the next four years, there was no crop at all. Millions who managed to survive sold all their belongings to pay the 5-pound fare to America.

**NEW JERSEY BOASTS** six of the nation's 15 most expensive suburbs for homes, according to the Relo Broker Network. Saddle River, N.J., where the average home sold is \$727,000, tops the list. California is a close second with five suburbs on the list.

Wall Street Journal 11/26/86

## World Population

Wilm. News-Journal 12/86

The anti-population-growth doomsters have been flat wrong on every one of their forecasts since the late 1960's.

The price of grains has fallen, rather than rising as they predicted. Their forecast of \$3 a gallon for gasoline has become a happy joke. The world's copper and tin mines are faced with disastrous glut and low prices, not the shortage crises the population-environment movement said would face us now.

In reality additional people cause us to have more resources rather than less.

Let us first be clear that throughout the long sweep of history, a larger world population has been accompanied by greater availability rather than greater scarcity. There are a lot more people on earth nowadays than there were 100 years ago, and we have more of the services that we desire from copper, iron, oil, and all the other resources than we did then. The same is true of 1,000 years ago, and 10,000 years ago.

In the Western world, population grew at hitherto-unknown rates during the Industrial Revolution, and so did resource availability and the standard of living.

Why have so many people, for so long, believed so many wrong ideas about population's effects?

All the immediately obvious effects of population growth are negative—greater pressure on existing resources; need to make new adjustments; reduction in the existing output available for each person.

In contrast, all the positive effects are diffuse, long-term, and require imagination to comprehend; responses by inventors and entrepreneurs to the new opportunities for profit caused by temporary scarcities, which leads to more productive knowledge than we had before; new transportation and communication infrastructure developed to deal with the congestion, providing more modern facilities than we began with; new social arrangements that cause us to be better organized than before population pressure was added.

So bring on the resource problems! The progressive future needs them.

**Scripps Howard News Service**

Julian Simon teaches at the University of Maryland and is chairman of the Committee on Population and Economy.

## World Hunger

"Hunger is the most preventable cause of death and disease in the world.

We deal with its symptoms when we give food to hungry people. But we also can address its causes."

### BREAD FOR THE WORLD

802 Rhode Island Ave. N.E.

Washington, D.C. 20018

Ed Note: Bread for the World carries a Georgist message in dealing with world hunger.

## Trade War Coming?

Baltimore Evening Sun 11/86

Congress just can't wait to embark on a protectionist binge to punish those foreigners for flooding our markets with high-quality, low-priced goods.

This will make lots of companies — and unions — very happy. Once those annoying foreign competitors are shut out, it will be much easier to ratchet up prices and wages. Consumers, of course, will take it in the neck.

When we bar imports, we'll be sending few dollars overseas for goods, and that means foreigners will be sending fewer dollars back to us for the things we like to export — like farm products. This will send the farmers back to Washington for even larger subsidies; a vicious cycle is born.

Further, a trade war will send shock waves through the industrial sector. Steel and auto makers will be enriched by import restrictions, but the inevitable retaliation will surely damage other industries (especially exporters of high-tech products) as well as farmers. And for a port city like Baltimore, a trade war would be especially destructive. Protectionism does not save jobs; it spreads misery.

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## Equal Rights

Center for the Study of Economics

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## Speakers Available

Even though most of our communications are through the written word, I'd like to remind you that Incentive Taxation can provide speakers for conventions and meetings. Because of the cost of travel, it is simply not practical to send a speaker to a small meeting unless the sponsoring organization has a budget for travel expenses for speakers.

For small meetings, however, we have an excellent film called "Tale of Five Cities" (should now be called "Tale of Seven Cities"). Over the years IT readers have been instrumental in arranging for us to be a guest on local radio and television talk shows. Television requires travel but most radio shows can be done by telephone from right here in our office.

After reading this issue of Incentive Taxation you might want to pass it on to the program chairman of a group to which you belong or send it along to a local radio or television talk show host with a note suggesting that they invite us to be a guest to discuss the problems of urban revitalization and economic justice.

Steven Cord

## Bequests Help Spread the Word

To members and friends who wish to help assure the future spread of the land value tax by means of provisions in their wills, the following general form of bequest is suggested:

I give, devise and bequeath to Henry George Foundation of America, a non-profit charitable corporation organized under the laws of Pennsylvania, with headquarters at Columbia, Md., and its successors forever, the gift of \$——— [or otherwise describe the gift].

The Board of Trustees of the Foundation welcomes any inquiries about bequests. Interested persons are also advised to discuss such provision with their counsel to make certain their wishes are properly fulfilled.

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