

## MR. HOMEOWNER, CAN YOU MULTIPLY BY SEVEN?

Good! That is all you have to know in order to estimate what your CITY tax would be under Land Value Taxation.

Here's how. Get out your 1963 City tax bill. Watch it! Don't take your School tax or your County tax bill. LVT is only applicable on the CITY tax.

Check it. You will see your land assessment, your assessment on improvements, and a total of these. Your tax will have been based upon the TOTAL. Now, to get a close approximation of what your city tax would be under Land Value Taxation take your land assessment and multiply by .070. That will be it.

Now compare. Surprised? We thought you would be. The great majority of Erie Homeowners will enjoy sizable tax reductions. And this is only on the CITY tax. Thousands of homes, even twenty or forty years old but on average size lots, will save substantially.

Should you want to know how we arrive at the figure .070 we will be glad to send you a copy of "The Key," a brief explanation of how LVT can be applied in Erie.

Land Value Taxation is now possible in all cities of the Third Class in Pennsylvania. In Corry, the magic number is .0575; in Meadville, .042; in Franklin .075; in Oil City, .0703.

Collect the publicly created value of land into the public treasury to bear the public



"Our present real estate tax policy is as obsolete as some of the 100 year old buildings on State St. Let us get rid of both by adopting Land Value Taxation."  
GEORGE E. DAWES  
Sales Representative for  
Buckeye Ribbon and Carbon Co.

MEMBER OF E.L.T.A.  
BOARD

Hundreds of fine new homes on large lots will come up big winners. Even those who enjoy vacant lots adjacent to their homes may well enjoy lower taxes than before.

Will your taking such a tax reduction make it impossible for the city to meet its budgetary needs? No. On the contrary money will come into the public treasury stronger than before. Good usable land is always in demand and many will be glad to pay the tax required. When improvements are exempt new and finer buildings will spring up and these will add greater value to the land.

When you support LVT you are on the side of right and economic justice. You vote to eliminate poverty, to create jobs, renew your city and strike a blow for freedom.

The Erie Land Tax Association began publishing a series of advertisements in the Erie Morning News and the Erie Daily Times each Saturday, beginning with the issues of January 11, 1964. In this issue we present reprints of four advertisements appearing in February.

Saturday, Feb. 22, 1964

## When Blight Takes Over, Men Take Off



W. Wylie Young  
Executive Director  
Erie Land Tax  
Association

Erie is suffering from an acute case of urban blight. Within one mile of the downtown area in all directions blight is king.

Cities do not have to die at the core. This tendency is so common that it is accepted as inevitable. It is not.

Robert M. Hutchins, ex-president of Chicago University, ex-editor of the Encyclopedia Britannica, now head of the Center for Democratic Research in California says,

"Taxes should promote sound public policies but the real-property tax, the main support of local governments, reflects and promotes every unsound policy imaginable.

It encourages urban blight, suburban sprawl, and land speculation. It thwarts urban rehabilitation, construction, investment in building and improving homes, and orderly development.

The reason is that the tax is based upon the market value of the property. Raw land has a lower market value than improved land. Therefore the man who buys raw land and does nothing with it pays comparatively little tax.

The more he puts into it the higher his tax. He is penalized for making raw land into a farm or a place to live. The more he spends the more he is penalized.

THE REMEDY IS ABSURDLY SIMPLE. It is to take the tax off the improvements and put it on the land. The owner would then be taxed on what the community had done for him in raising the value of his land. He would not be punished for what he had done to build up the community."

SO SAYS DR. HUTCHINS. This is what we mean by Land Value Taxation. City Council has the right to adopt it NOW.

It is because we insist upon penalizing all property improvers that older sections of Erie suffer from blight and decay. Put the tax on the land and gradually improvements will appear. In time the obsolete areas will again become desirable places for living. With buildings exempt, good homes and many modern apartments will replace the old worn-out buildings of seventy or eighty years.

Erie cannot afford to postpone this program. When blight takes over, men take off. They are taking off in droves, and those who are left have to carry the tax load. It keeps getting heavier and heavier for fewer and fewer people.

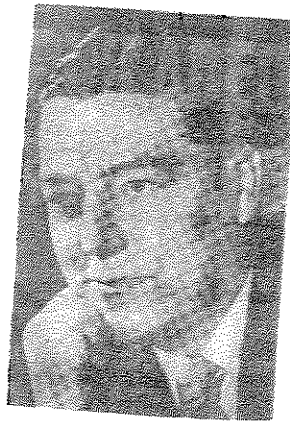
**WAKE UP, ERIE! THIS IS A GOLDEN OPPORTUNITY!**

Collect the publicly created value of land into the public treasury to bear the public expense

Erie, Pa. Morning News and Evening Times  
Saturday, February 15, 1964

## NO PHILADELPHIA LAWYERS NEEDED HERE

Two of Erie's leading lawyers serve as directors of ELTA. Because this is a paid advertisement we cannot picture, name or quote them. They both know that it doesn't take a Philadelphia lawyer to understand:



Bertram A. Wilson  
President, Wilson Research Corp.  
President of the Board  
Erie Land Tax Association.

- ★ That real estate is TWO things, LAND and IMPROVEMENTS
- ★ That LAND is the GOD-given source of all wealth.
- ★ That land is a fixed quantity and no amount of taxation can destroy one acre.
- ★ That the higher the tax on land the lower the price of land becomes.
- ★ That the higher the tax on buildings the more expensive, fewer and poorer buildings are certain to be.
- ★ That we need more and better buildings.

★ That to stop taxing buildings and to tax land value instead will bring more and better land-sites into use and encourage the construction of more and better stores, homes and factories.

★ That Land Value Taxation is legal, just and beneficial for all.

### WHAT IS LAND VALUE TAXATION (LVT)

A new law in Pennsylvania permits Erie to use land value as a base for the real estate tax. Traditionally the base has been the combined value of land and improvements. This rule may apply only on City Taxes. School and County taxes must be as before.

Under LVT those who put their land to good use and invest in improvement value will pay lower taxes than before. Those who merely hold land out of use and neglect to improve it will pay higher taxes than before. Most homeowners will enjoy substantial reductions.

Collect the publicly created value of land into the public treasury to bear the public expense.

ELTA

2217 Peninsula Drive

Telephone TE 3-0229

Erie, Pa. Morning News and Evening Times  
Saturday, February 8, 1964

"Erie seems to be on dead center. With Land Value taxation available it could easily become a star among American cities."

Michael Gregory  
Chemist with  
General Electric  
and ELTA Director



## "AW, COME ON! THAT'S NO FAIR"

Research studies by the Erie Land Tax Association show that owners of homes, apartments, theatres, mortuaries, modern office buildings and stores, motels and hotels, and practically all industrial concerns pay far more than their just share of the real estate tax.

Because taxes are now based on the total value of land and buildings all who invest heavily in improvements are obliged to pay excessive taxes. Obviously we operate on the "ability to pay" theory of taxation. Under this system it is assumed that those who improve their properties are able to pay more and therefore should pay more. This conclusion will not stand up. It is assumed conversely that those who let their properties rot have nothing with which to pay, and so, they are let off the "tax hook". This is not right.

We contend that real estate taxes should be levied on the "service rendered" theory. A community, with its streets, sewers, utilities, schools, churches etc. etc., gives certain value to every land-site. The value is there. The service is available. It is a service well worth buying.

It is unfair for the "do-ers", who invest heavily in improvement value, to be obliged to pay higher taxes because of the failures and deficiencies of those who merely hold land and never bother to improve it. Because the do-ers go ahead and produce wealth they virtually subsidize those who lay back and do nothing. How often have you heard boys at play cry out, "Aw, come on! That's no fair"? Because industries must invest extensively in

improvements taxes are particularly heavy for all industrial concerns. Since every industry, is involved, the cumulative effect of the present tax policy upon the status of all who work is incalculable.

Money which should have gone directly into the wage fund is ciphoned off into the tax fund. Organization and expansion of industrial plants are hindered, demand for labor is lessened and wage levels are lowered. Our present system of penalizing all do-ers sets up a whole series of shock waves, the cumulative effects of which are all bad. It is as if a huge weight was constantly holding down the production and distribution of wealth.

It is a fact of record that in those areas where LVT is used the drift of population is toward the LVT community, and away from the cities or states which use the conventional system. By taxing land value and exempting all improvements the resulting shock waves are all on the plus side for the community.

Our research shows that local industrial plants would save enormously under LVT. Savings are relative and depend upon the size of the operation and the condition of the plant involved. Several local industries would save \$10,000 annually, and one industry would save at least \$50,000.

These savings would be absorbed into the system of things and would reflect themselves in more jobs, higher wages, better competitive abilities for local industries and a whole series of advantages too numerous to mention.

"Collect the publicly created value of land into the public treasury to bear the public expense."

*Neal Hopkins*

Manager, Manpower, Inc. and Director, Erie Land Tax Association, says: "May I urge you to read and consider the case for Land Value Taxation? Erie needs it badly."

## LAND VALUE TAXATION IN A NUTSHELL



As a community grows land values rise. These values are publicly created and represent the advantages which arise when men congregate in a particular area. Since they are publicly created no individual has a clean-cut moral claim to them, but landowners as individuals always do claim them in the form of higher land prices or high land rents. They are able to do this only because the community has not recognized its obligation to itself to collect the publicly created value of land into the public treasury to bear the public expense.

Since such values do attach themselves to land and are always reflected in the price of land we could easily resolve our economic woes without resort to any form of Socialism or its uncouth cousin, Communism. All a city has to do in order to collect these values is to base the entire real estate tax on land value.

This is the key which will open the door to civic prosperity. Because we have never done this we have created a Pandora's box full of economic ills which are now loose in the world. Not the least of these is unemployment, which is so common in this country that everybody assumes it to be inevitable. It is not. But because it is so prevalent the government finds it necessary to feed and scantily clothe the unemployed.

We of the Erie Land Tax Association insist that under full and complete land value taxation there would be no need for anyone to be unemployed longer than it would take to make a telephone call or go to see a man about a job. In fact this is the only weapon we have against the specter of automation. Shorter work weeks? We don't think so!

Which is better? Should we continue to allow privateers to keep for themselves the publicly created value of land, force all who build homes, stores or factories to pay taxes on those products of their labor, impose sales taxes, income taxes and every other kind of "economy stoppers," so that many become chronic victims of unemployment and must apply for welfare hand-outs, or shall we take by taxation those values which attach themselves to land, declare buildings and improvements exempt, force the price of land down, bring new and better land-sites into use, encourage enterprise of all kinds, keep opportunities alive and so avoid unemployment and ultimately the need for welfare funds?

Need we press the question, "Which is better?" If you cannot believe it you have no moral right to condemn it until you have investigated it thoroughly. We will give you an opportunity to attend classes at the YMCA School of Adult Education, soon.

## LAND TAXERS ANNOUNCE PLANS FOR '64

Bertram A. Wilson, owner of the Wilson Research Corp., and President of the Erie Land Tax Association, said today that ELTA plans an all-out educational campaign for 1964. "Almost everyone in Erie has heard of land value taxation", he said, "but this is the year when Erieites are going to learn how wonderfully LVT might benefit all classes of Erie citizenry."

Mr. Wilson continued, "Those of us who make up the Board of ELTA know how difficult it is going to be to get the kind of action that we need, but we are more convinced than ever that Erie should take advantage of the new law which permits Third Class Cities in Pennsylvania to levy a greater part of the real estate tax against land value rather than against the combined value of land and buildings."

"The full weight of custom and tradition may be on the side of those who would leave things just as they are. Nevertheless we are convinced that we can make it plain to the people of Erie why a change in tax policy should be made."

W. Wylie Young, Executive Director of ELTA, announces that a brief treatise on some important aspect of this new proposal will be carried every Saturday on the Local Pages of both the NEWS and the TIMES. In this way we hope to bring thousands into a clearer understanding of how land value taxation will stimulate the economic life of Erie and set the stage for a gradual process of renewal whereby blight and obsolescence will give way to newness and clear evidences of prosperity.

"This is not just an incidental and haphazardly conceived tax reform designed to improve the economic climate in Erie", said Mr. Young. "It moves toward the very heart of the overall economic process by which we all live. This proposition is rich in moral and spiritual overtones. When we say 'Collect the publicly created value of land into the public treasury to bear the public expense' we are urging the adoption of a fundamental principle which is crying for recognition in every country in the world. It just so happens that a start in this direction is a legal possibility in Erie. Our immediate objective is LVT in Erie but this could well become the wave of the future on the tax fronts of America and the free world."

"It is because of the far-flung potential of the land tax concept that we persist in our endeavor to win others to share our understanding and our enthusiasm." Watch this space every Saturday for miniature essays on the "Why" and "How" of LVT.

—Adv.

"My original interest in Land Value Taxation grew out of my concern for central city blight. Later I came to realize its many advantages. Study it. Erie needs it badly."

Robert D. Meyer, Engineer,  
General Electric Co.  
And E.L.T.A. Director

## WAR ON POVERTY?



A new catch phrase has just come out of Washington. Our president has "declared war on poverty". Suppose we all draw up our chairs and watch. How will he mobilize his forces?

Listen carefully and see if anyone in Washington ever mentions LAND. Don't bet it will happen before you eat again. You will starve to death. Don't offer to "hold the breath" until someone in Washington mentions Land Value Taxation.

To us of the Erie Land Tax Association this is a heartbreaking situation. In recent months we have come into collision with the facts. We know now that poverty will never be dealt a lethal blow until LVT has been applied. It is the primary antidote.

This is how we see it. Poverty is born when men are shut off from land. As long as there was good land to be had for the taking poverty never had a prayer. Production may have been slow but there was no poverty and no indigent class. Everybody worked who wanted to work.

When all the good land was taken up and the landowners and the speculators were able to claim high prices our troubles began. Rents increased, living costs soared and the burdens of taxation grew. Nobody suspected that all this was related to the local policy of taxing real estate. Nobody realized that the lower land is taxed the higher in price land becomes. The land speculators laid the founda-

tions for each successive depression as local governments fell into the practice of taxing everything in sight except land. With this policy of sheer ignorance poverty was born.

Poverty is not something that can be destroyed by the upper echelons of government. It is born back where the local governments establish their tax policies on land.

There is one thing that the leaders in Washington could do. If they only understood the problem in the first place they might launch an educational campaign to make clear the meaning of the phrase, "Collect the publicly created value of land into the public treasury to bear the public expense." When this is understood and done our battle against poverty will have been won.

Because we know these things are so, we say, "Let us stop looking to Washington. We have the right to tax land value here and now. This is the best way to deal with poverty. This alone will raise wages, lower rents, decrease living costs, encourage industry, rebuild our city, wipe out slums, create jobs and keep freedom and opportunity alive".

Give us a chance to prove that we are right. Plan to attend our five week course in Fundamental Economics at the Central Y beginning next Tuesday, Jan. 28 at 7:30. Buy a book worth ten dollars for \$2.00, and the course is yours, "for free".

Call the Y or ELTA for particulars. ELTA, 2217 Peninsula Dr. TE 3-0229.

"Just before becoming President of the Erie Jaycees I joined a special study committee appointed to investigate the Land Tax Idea. We reported favorably and the Jaycees endorsed it in the Fall of 1961. It makes more sense than most people realize."



Blaine G. Momeyer  
Kenneth W.  
Momeyer Co.  
Insurance  
and ELTA  
Director

## **TAX RELIEF FOR ERIE HOMEOWNERS**

Research by the Erie Land Tax Association proves that homeowners in Erie pay far more than their just share of the real estate tax; also that Land Value Taxation is both just and fair for all.

A study of 39 homes (5 to 15 years old) on Auburn, Greengarden and Oakwood, just north of 29th, shows that 36 homeowners would pay an average of \$44.32 apiece less under LVT than under the present system. Three would pay an average of \$22.37 apiece more under LVT.

A study of 33 homes along Liberty, 23rd and Poplar, just north of 26th (25 to 50 years old) shows that 28 homeowners would pay an average of \$33.08 apiece less under LVT than now. Five would pay an average of \$4.44 more.

Owners of small homes enjoy the same relative decrease in taxes. 11 homes from 319 to 429 Hess, (small cottages 14 years old) would pay an average of \$29.84 apiece less under LVT than they do now.

When taxes are levied against land value the landowner enjoys total exemption on buildings and improvements. A building could be added to, or torn down and a new building put in its place, without increasing the tax. Under LVT homeowners will build bigger, better and sooner.

LVT can only be applied on City Taxes. Our figures are concerned only with the City Tax. Savings would be more than twice as great if School Taxes were also levied against Land Value.

Tax studies are available free upon request. Write or phone, ELTA, 2217 Peninsula Dr. TE 3-0229.