

# PUBLIC REVENUE EDUCATION COUNCIL

EDUCATION•NON-POLITICAL•NON-PROFIT / SUITE 118 / 111 CHURCH ST. / ST. LOUIS, MO. 63135-2441 / 314•521-2514

November 4, 1987

From Stanley A. Frederiksen, Sec'y/Ass't Executive Director  
To PREC Officers, Directors and Honorary Directors  
Subject PREC Nov. 2, 1987 Meeting Minutes - - Miscellaneous Items

## NOVEMBER 2, 1987 PREC OFFICERS/BOARD OF DIRECTORS MEETING

1. Meeting called to order at 7.55 P.M. at Neal Frederiksen's home, by President Lou Basso. Present - Neal & Stan F., Cotton, Basso, Dr. Goebel & Pete Casey.
2. Minutes of last (5/11/87) PREC Board Meeting and of last (7/9/87) Exec. Committee meetings presented and approved as read and/or briefed.
3. Treasurer Phil Cotton reported our financial status:

### 4. OLD BUSINESS

- 4.1 Pete Casey reports PREC mailing list now on computer, by zip code and alphabetically. Also, his equipment permits sending out individually addressed computer processed letters, in groups of 20 - 30.
- 4.2 Dr. Mason Gaffney won a seat on the Schalkenbach Board of Directors over PREC's Stan Frederiksen (per Oscar Johannsen).
- 4.3 Hon. Robt. O. Snyder (recently retired Mo. Appeals Court Judge) has accepted a post as a PREC Honorary Director.
- 4.4 Honorary Director Hon. John Poelker is working to get PREC a hearing for SVT adoption in St. Louis, before the St. Louis Tax Commission, which John chairs.
- 4.5 PREC V.P. Joe Casey is pushing the case for Svt in Fairfax County, Va.
- 4.6 Terry Inman, of Mo. Libertarian Party, has published negative things about SVT in their newsletter, "SHOW ME FREEDOM". We are responding.
- 4.7 Mr. Erwin K. Kastrup has resigned as a PREC Director.
- 4.8 Georgists True Ritchie, Clear Marks and their guest from England, Mr. John Papworth, were hosted by the Stan Frederiksens and treated to a dinner on Oct. 16 by PREC at Schneithorst's Restaurant.

(Over)

5. NEW BUSINESS

- 5.1 Sam Venturella (Chicago H.G. School Pres.), whom we are supporting as next CGO Chairman, wants economics books for his school library. It was voted to send him one, each, of any such books of which we have more than one. Neal Frederiksen is to contact Sam on this.
- 5.2 COMMON GROUND, the Georgist national lobbying organization, wants us to start a chapter here in St. Louis. It will have to be separate from PREC, as COMMON GROUND is not a "non-profit" entity. "C.G." can, it should be remembered, be source of funds for us, if we apply.
- 5.3 Walt Mueller has received the St. Louis real property computer tape of all City properties, names of owners, by Ward, separation between locations and buildings/improvements thereon, etc. He's paid \$1,600.00 for it - we'll help with funds if State doesn't cover it. He has it in Jeff. City, where there is the necessary sophisticated equipment to process it for the study we want to make. Walt will call upon us for help in programming for the study.
- 5.4 A "Meet PREC" get-together (considered earlier, but never implemented) is planned, to generate more interest in PREC, get new members, and seek new PREC directors. It was felt a "cocktail hour" will be our most logical scenario - - likely at Cheshire Inn or Schneithorst's with timing in late afternoon of Dec. 10 (Thurs.) We'll seek to get Walt Mueller, John Poelker, Tom Curtis and Dr. Don Phares as guest participants - - provide hors d'oeuvres, drinks, etc. It should be informal - - "visiting" and talking about our ideas are the main objectives to generate interest, and possible action. We have a list of potential invitees (about 40) and will add more. Lou Basso will check with Ken Bush for some ideas for implementing. Stan Frederiksen is to contact John Poelker (done - - John can make the Dec. 10 date - - he suggests the time to be between 5:00 and 7:00 P.M. - - after work for most people - - we can receive late-comers.) Suitable "attendance prizes" may be a good idea. John says there are some wonderful books about St. Louis, Forest Park, etc. which would make fine attendance prizes and help draw people to the gathering.)
- 5.5 In view of the recent stock market gyrations, with the possibility of jeopardization of our Money Market funds, Lou Basso brought up the idea of hedging our investments to avoid deterioration of our resources. After discussion, Lou moved, and Neal seconded, a motion to the effect that "PREC authorize the Executive Committee to move up to 50% of our assets into gold coins, at such time as the Committee deems this to be prudent." Adopted unanimously.
- 5.6 Lou Basso strongly urged PREC participation in the "CATHOLIC BUSINESSMEN'S ASSOCIATION", a brand new organization, concerned with the present and future of our Metro-Area and its growth. The organization wants more voice in the decision-making processes of the St. Louis Archdiocese. We are to look to an invitation to attend their next meeting, and respond favorably - - our ideas should be of much interest to the group. Meetings are usually breakfast get-togethers.

This meeting was adjourned at 10:15 P.M., after which Neal served nice light refreshments, and there followed some informal discussion about PREC activities and its future.

Respectfully submitted,

# PUBLIC REVENUE EDUCATION COUNCIL

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November 4, 1987

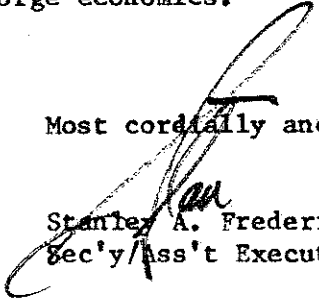
From Stanley A. Frederiksen, Sec'y/Ass't Executive Director  
To PREC Officers, Directors and Honorary Directors  
Subject Meeting Minutes and Misc. Items

For your information and up-date, hear are - -

1. Nov. 4, 1987 minutes of PREC 5/11/87 and 7/9/87 Board & Exec. Comm. meetings.
2. Director Tom Lehmann's 9/2/87 letter in the St. Louis Post - - note they actually mentioned Henry George in the article.
3. Neal's Sept. 21 letter to the National Review responding to a William Tucker article printed therein earlier. (We haven't seen Neal's printed yet.)
4. Hon. Walt Mueller's Oct. 2, 1987 letter to St. Louis Controller, Paul Berra probing for the St. Louis real property computer tape, which Walt has been seeking for some months. (Walt later met with the St. Louis officials - - now actually has the tape and is getting it processed in Jefferson City, to generate actual proof of how much most homeowners will save if real-property taxes in St. Louis are shifted to the locations alone.)
5. St. Louis Post-Dispatch article of Tuesday, October 20, 1987, publicizing that Dr. Don Phares has been selected to the newly established St. Louis City-County Board of Freeholders. Don has been a great supporter of our Site Value concept, over the past several years, and perhaps just might be persuaded to inject some Site Value concept thinking into his activities on the Board.

It's a pleasure to pass this material along. If you have any comments, critiques or questions, please let's have them. How about you writing some pro-Site Value articles to the newspapers - - and pushing for some dialogue, here and there, on the subject of Henry George economics?

Most cordially and sincerely,

  
Stanley A. Frederiksen,  
Sec'y/Ass't Executive Director

# THE "ALTON CITIZEN" (ILLINOIS)

SEPTEMBER 2, 1987

## **Backs a value tax**

To the editor:

Political and labor leaders constantly deplore communism, this has been carried to paranoia by the present administration. There are reasons for these denunciations because it is a very repressive type of government. However, it is only accepted by the downtrodden and impoverished after all appeals for a fair deal are denied.

We seldom hear fascism or military dictatorships so severely censured, and they are equally brutal and tyrannical. Both systems abolish unions and fraternities, curtail the press, radio, and free speech, conduct secret trials, the accused disappears.

Senator Barry Goldwater, in a speech in 1985, said, "We have had trouble with Central America for over 140 years." That was 22 years before Karl Marx wrote "Das Capital" and several years before he wrote the "Communist Manifesto." What caused the trouble then? It couldn't have been the Soviets. It was the same conditions that caused the French and Russian revolutions. A few owned the land, and the toilers were agricultural slaves. This same condition prevails in Latin America. Haiti is owned by a very few. The products of the land are

sold abroad at higher prices than the natives can afford, who in turn are shunted to city slums where they foment revolts. Some in our U.S.A. wish to perpetuate these conditions so they can do business with the likes of Batista, Peron, Somoza, Trujillo, DuValliere, Pinochet, et al, who permit absentee and local land owners to milk the masses.

A simple, fair and effective remedy would be to adopt a land value tax as proposed by the American economist, Henry George. Workers would enjoy the fruits of their labors that at present are sent abroad to absentee landowners. Most of the turmoil would cease and with it communism, fascism, bloodshed and starvation. Some of the problems are close to home. A coal company that owns 80,000 acres in Kentucky pays \$75 per year in taxes. How much would a Madison or Jersey County farmer pay on a similiar tract of land?

9/2/87 Tom Lehmann  
Alton  
ALTON CITIZEN

Note - - Tom Lehmann is a member of the Board of Directors of the PUBLIC REVENUE EDUCATION COUNCIL, of St. Louis, Missouri.

September 21, 1987

Editorial Dept.  
National Review  
150 E. 35th Street  
New York, NY 10016

To the Editor:

Mr. William Tucker's article, "Where Do the Homeless Come From?", was at once timely, accurate, and a devastating blow to the forces of ignorance. He is to be applauded. There is an aspect to the situation, however, which needs his attention and which greatly exacerbates the problem he so brilliantly sets forth.

Most large-city property tax codes actually act as an incentive to allow buildings to rot rather than to improve them, for improvements result in higher taxes on top of the money already spent. In addition, much inner-city land lies either unused or grossly under-used because its owners are simply waiting for public expenditure and improvement to drive up the selling price of this land. The speculative gain thus realized actually comes out of the public purse, as surely as if robbers had plundered the treasury. And the price of this land to builders and developers is often the prohibitive factor in their plans.

Here in St. Louis, the city is currently spending \$2.7 million to demolish abandoned buildings, which, if they had been rehabbed, would have penalized their owners with higher taxes. But where did the \$2.7 million come from in the first place?

Over 100 years ago, Henry George pointed out the wisdom and common sense of taxing the location values and leaving the improvements alone. Very few buildings of any size are built today in major cities without tax abatement. If it's such a good idea, why can't the smaller developers or even the ordinary homeowner get the same kind of break? Why can't we get the public gains of the speculators back into the public purse from whence they came?

Rent Control is only one sign of a far greater malignancy. Unless a tax of site values is substituted for a tax on production and effort, the cancer will surely spread.

Cordially,

A handwritten signature in dark ink, appearing to read "Neal S. Frederiksen". The signature is fluid and cursive, with a large initial "N" and "F".

Neal S. Frederiksen

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MISSOURI  
HOUSE OF REPRESENTATIVES  
JEFFERSON CITY, MISSOURI 65101

October 2, 1987

The Honorable Paul Berra, Comptroller  
St. Louis City Hall  
1200 Market Street, Room 212  
St. Louis, Mo. 63103

Dear Mr. Berra:

For several years I have sponsored legislation in the Missouri House of Representatives which would allow the people of Missouri to vote on the propositions of whether they should pay their property tax on the basis of land and improvements value or on the basis of their land value alone.

As you know, this is not a new approach. In Taiwan, Australia, Denmark and Canada, it is the present way real property tax is levied as well as several cities in Pennysylvania including Pittsburgh and Harrisburg.

In several committee presentations The Honorable John Poelker testified in favor of such a system of taxation for real property and The Honorable Tom Villa cosponsored the legislation with me on several occasions.

In a preliminary study we found that over 70% of the property tax paying people of St. Louis would pay less property tax if we could use land as the basis for taxing real property. Aside from benefiting the tax payers, this system of taxation encourages:

Owners and renters to improve their property...everytime they spend money to improve their property, their taxes won't go up.

New construction...encourages the land to be used for its highest and best use.

Stop City decay...homestead programs to allow development of City's north side and reduce our throw away approach.

More jobs for the area...follow the building boom brought about by tax abatement in downtown St. Louis.

These would be just a few of the many advantages.

*"The Welfare of the People Shall Be the Supreme Law"*

As you can imagine, a tax change such as I have suggested will not come easy. There are many people who need to have strong evidence that the plan will work and that it will provide the positive benefits which I have stated.

The Missouri House Computer Staff is assisting me with a computer program which will allow us to determine exactly what the ramifications of such a change in our real property tax will do. All the questions you can imagine will need to be answered. Who benefits? To what extent? How many? What income bracket? What areas of the city? Is it a good idea? Many more.

These are the reasons I have asked the St. Louis City Assessor, Virvus Jones, to sell me the assessment roll tape. I need the information the tape will provide to get the necessary answers to these very important questions.

If there are further questions on this matter, please call me at home. My phone number is 966-0466. I assure you of my full cooperation.

You carry a heavy burden in administrating the responsibilities of City government. I am pleased to hear you are gaining strength and feeling better. My prayers are that your recovery will be swift and lasting.

Sincerely,

*Walt Mueller*

cc: The Honorable Virvus Jones, Assessor, City of St. Louis  
The Honorable Tom Villa, President of the Board of Aldermen  
The Honorable John Poelker  
Mr. Stanley Frederiksen

P.S. —

*The Assessor has been holding up the tape. He says he wants to talk with Paul Barra before he will release the tape. I'm trying to help things along... I'll let you know how things progress.*

ST. LOUIS POST-DISPATCH TUESDAY OCT. 20, 1987

# Freeholders Give Post To Professor

By Mark Schlinkmann  
Regional Political Correspondent

Donald Phares, an administrator and economics professor at the University of Missouri at St. Louis, was selected Monday as administrator for the city-county Board of Freeholders.

Phares will be in charge of the board's staff. He will take a leave of absence from his university post to work for the board.

The board also voted Monday to hire the Unicom Group to handle public relations and community education programs. The company has close ties to County Executive Gene McNary.

Phares, an expert in municipal finance, was selected from five finalists for the post, said Thomas Dunne, chairman of the freeholders' administration committee.

Phares, 45, is a member of Mayor Vincent C. Schoemehl Jr.'s commission to study tax changes in the city, and he has been an adviser on finances to the Missouri Legislature and other governmental bodies.

At one point, Phares was hired to prepare a fiscal feasibility plan that pushed for the successful incorporation of Maryland Heights — a plan opposed by McNary but approved by voters.

Phares said Monday that he had been acting as a hired financial expert rather than as an advocate for the incorporation.

Unicom and its president, Edward M. Finkelstein, have been involved with McNary on several fronts in recent years.

For example, the firm helped organize the petition drive that spurred



Donald Phares  
Will head staff

the formation of the freeholders board earlier this year. It has promoted bond issues for capital improvements in the county and worked against a proposal last year to incorporate Chesterfield.

Unicom also has been paid to promote McNary's plan for a domed stadium in Maryland Heights.

Dunne declined to identify the other four people interviewed for the administrator's post. He said that Dee A. Joyner, executive director of the County Economic Council and a top McNary adviser, was well-qualified but had withdrawn as a candidate early in the selection process.

One member of the committee had expressed concern that Joyner was too closely tied to McNary.

Sandra Bennett, co-chairwoman of a separate committee on public information, said that Unicom had been chosen from 16 companies submitting bids.

**NOTE** - - Dr. Donald Phares, of the University of Missouri - St. Louis, has presented pro-Site Value Taxation appearances as a witness at tax hearings in Jefferson City and other Missouri areas, and was a featured panelist, along with three other University of Missouri professors (Columbia and Kansas City) stressing the rightness of the Site Value approach, at the July, 1985 Conference of the Council of Georgist organizations at Washington University, St. Louis, hosted by the Public Revenue Education Council.