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Tax land, not buildings?

By JACKIE REID
Times Staff Writer

William W. Newcomb, a local Realtor and proponent of land tax reform, said this week, "The overtaxing of improvements and undertaxing of land is responsible for economic decay and the downgrading of cities of all sizes."

He told The Times, "Downtown Melbourne could be easily renovated and property owners could save money by only having to pay taxes on the land they own — instead of on the old or renovated buildings."

Newcomb arrived in Melbourne 33 years ago and for two years was Brevard County feature writer for the Orlando Sentinel Star. Leaving an editorial career, first in New York, where he was editor of "Land and Freedom" and then in Chicago where he was economics editor of "Progress Guide," a Reader's Digest style magazine, he arrived here when Melbourne had 4500 people, Eau Gallie 1500. The joined cities now have 50,000 and the greater Melbourne area now has 125,000.

He helped get Melbourne Village started and built most of the first 50 houses. He created the subdivisions of Lake Newcomb, Lake Ibis and Melbourne Gardens. To obtain access to his subdivision, Melbourne Gardens, he had to build a half mile of what later became Wickham Road, now 13 miles long, and being

four-laned today to meet the traffic load.

When Newcomb arrived in the area, acre-lots on Wickham Road were selling for less than \$300. They are now selling for \$20,000 to \$25,000 says Newcomb, "That cost for the land has to be passed on in the product sold by everybody on Wickham Road. Multiply that rise in land value all over the United States, and you begin to see why the inflation of not only houses, but everything you buy, is so pervasive."

Newcomb, president of The Media Foundation for Land Economics, Inc., has devoted his life to the idea of land tax reform — which he first heard about some 50-years ago when he read Henry George's book, "Progress and Poverty." The book, written 101 years ago, has sold more than five million copies throughout the world and has been translated into dozens of languages.

"The state must provide enabling legislation to increase the tax on land values, so as to slow the riotous inflation in land and decrease the tax on all improvements, whether they be homes, commercial or industrial buildings; and remove all excise taxes. This will immediately take up the slack in unemployment," Newcomb said.

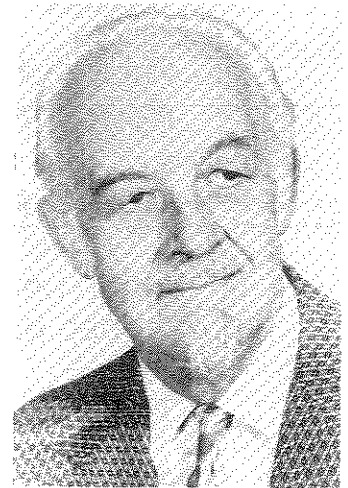
"With the tax removed from buildings and improvements there is an incentive to keep one's property in good con-

dition, to expand building, to increase employment," Newcomb said.

Newcomb emphasizes the fact that proponents of the Henry George land tax proposal come from every walk of life and political persuasion. He points to such international figures as Britain's war time Prime Minister Winston Churchill, a strong believer in single land tax.

"Consider this" says Newcomb "Ever since the days of the Roosevelt administration the U.S. Government has been increasingly picking up the tab for part of local government costs. Every year the mayors of the country get together, and in an united front, tell whatever administration is in power that the cities must have federal money to meet part of their cities' needs. But instead of collecting the tax on land in a sufficient amount, the local governments bow to the speculators' pressure, and call on the Federal Government to help meet local government's public services: police and fire protection, street, sewage and water, libraries, parks and recreation.

P. I. Prentice, former editor of "House and Home" and vice president of Time, Inc., spoke in 1975 in Melbourne, as a guest of the Media Foundation. He addressed a large audience and told them, "Today's wrong kind of property tax has been the biggest cause of land waste



and sprawl — the only cause of the premature subdivision of millions of outlying acres that should have been left open country for farming and recreation until well into the 21st Century."

"Mr. Prentice, relying on the estimates of the Federal Census Bureau, says that the land in the U. S. has been capitalized at more than two trillion dollars, giving land owners an almost completely unearned increment. Mr. Prentice further states that land is now so lightly taxed it has become the biggest tax shelter in the U.S."

Paul Wilborn, Florida Living Editor, Tampa Tribune, in an interview with Mr. Prentice, asked: *If land-value taxation is such a good idea, why isn't it being adopted around the country?*

Mr. Prentice: *"The large landowners who run our governments and corporations won't support a system that would force them to either develop or give up their vast land holdings."*

AUTHORS:

Why Not Write A Feature Profile?

This is the third profile written on our President, William W. Newcomb, in four months.

We would hope that profiles be drawn on the approximately fifty-five prestigious people in academe, business, city planning, financing, housing and real estate and government, whose names are on the enclosed two lists.

They are the stars.

They are the ones who subscribe to the thesis that land economics must augment monetary economics; that the removal of taxes from improvements and the increase of taxes on land would:

- 1 — Stem inflation without increasing employment
- 2 — Bring housing back to a reasonable price
- 3 — Stabilize the economy

Why don't you make this contribution to society, and earn money selling your articles to publications?

EDITORS:

Why don't you seek articles that offer this alternative to our economic problems?

Joseph Tisch, Vice President
Media Foundation for Land Economics

Several socially responsible church magazines have asked us for authors who can provide articles on the ethics of our present land tenure system; on the ethics of church wealth being tax-exempt, often representing vast land holdings; on the justification of a U.S. military build-up to protect over-seas real estate owned by American corporations (according to Sec'y Brown of the Defense Dept.) Most church magazines pay less than \$20 per page, and the articles are seldom more than two pages. We will provide writers with research grants to help meet the needs of these publications.

Please take note of the last paragraph of this article you are about to read.

(over)

Among Newcomb's many local supporters of tax reform is Hugh Nicolay, president of the Indian River Audubon Society and a director of the Florida Audubon Society. Nicolay said "Our present property taxation results in wasted resources and poor land use in urban and rural areas. Urban sprawl, brought about chiefly by land speculation, is making energy-efficient mass transit nearly impossible in large communities."

Nicolay adds: "Unused and underused urban land of little environmental sensitivity is held off the market by speculators, so developers are reaching into the countryside and converting valuable agricultural land and environmentally sensitive wetlands to urban use. All this is fostered by our present property tax system. The conspiracy against our environment and natural resources is as potent as the conspiracy against the homeowners and tenants."

Newcomb said that the absence of sensible land-use planning is due in large measure to property-tax structures which stimulate land speculation at the expense of coordinated land development.

"We can live with the cost of materials and labor — but in the 1980s homes are going to be way beyond the ability of the middle class to buy due to the low taxes levied against available land in cities."

There are four sizable foundations in various parts of the United States which support the economic thesis promulgated by Henry George: The Robert Schalkenbach Foundation in New York City; the Lincoln Foundation in Phoenix, Arizona; Basic Economic Education in San Diego; and Henry George Foundation, in Indiana, Pennsylvania, a suburb of Pittsburgh. In addition, there are two strictly teaching organizations: the Henry George Schools in New York, Philadelphia, Chicago, Los Angeles,

San Francisco, Toronto and Calgary. There is also the Henry George Institute, in New York, another teaching facility. The head of the Henry George Institute, Robert Clancy, also publishes a quarterly called "The Georgist Journal". A scholarly quarterly "The Journal of Economics and Sociology" is edited by Will Lissner, formerly on the staff of the New York Times.

In Washington, D.C. is the League of Urban Land Conservation, an educational organization basically directed to property tax reform in Washington. The ULC, under the guidance of Walter Rybeck, administrative assistant to Congressman Reuss (D. Wisconsin) was chiefly responsible for getting witnesses for hearings held at City Hall, in which 17 civic organizations all supported property tax reform.

Newcomb and five Melbourne people felt that there should be one foundation established that specifically addresses itself to general media exposure of the Henry George thesis.

The five other members of the Executive Board are: Rev. Joseph Tisch, Liberal Catholic priest; Mrs. Mary Knoke, active in the League of Women Voters and State affairs of the Unitarian Universalist Church; Peirce Wood, attorney and civic leader; Maynard Mitchell, photographer and artist, and receiver of Recognition Awards for his work with children; and Mrs. Helen Campbell, accountant, and active in property tax reform in her former home in Kansas City.

Both the print media and the electronic media, says Newcomb, cover social and economic problems of the nation, but the typical solutions suggested to writers who interview for the media usually end up in proposals for taking more money from the government coffers.

"As an example," says Newcomb, "the National Association for the Advancement of Colored People meeting in Miami this week is very much concerned about the general consensus throughout the country for heavy cutbacks of funding for social programs for the poor. Why did not the NAACP, in its 75 year history, and with a membership of almost 500,000 join the blacks and the whites in the Henry George Movement to bring social justice through land value taxation. The tens of thousands of ghetto tenements would be bulldozed down within months of getting building permits by land developers, and reasonably priced new apartments could be built, if the tax were taken off the tenement houses and placed upon the land — because the holder of the deeds to these tenements on land could not afford to sit on the land under land value taxation. Think of the thousands of poor blacks and whites who could get construction jobs in such vast rehabilitation of any city, the decent apartments that would result, the better wages that could be paid — and all done within the private sector of our economy." As Newcomb continues:

"Because land is finite, the tax on land cannot be passed on. A tax on production can be passed on, and feeds the inflation."

Only a few prominent people, Economist Milton Friedman and Journalist William Buckley on the "right" and Alfred Kahn, special assistant to the President and Albert Shanker, president of the American Federation of Teachers, on the "left", among them have supported the position of Henry George, but in hardly more than a whisper, according to Newcomb.

Newcomb and the co-founders of Media Foundation For Land Economics felt that a whisper was not enough. The foundation wan-

ted to help professional writers to become knowledgeable in land economics, and makes research grants available for investigative writers.

"'Reader's Digest' published a very good article entitled 'Land Speculation, and How To Stop It' by Wolfgang Langewiesche in the sixties," says Newcomb, "Phil Osborne, Senior Editor of the 'Reader's Digest' recently advised me that the magazine would be interested in picking up another article for reprint."

In addition to being president of the local Media Foundation, Newcomb is first vice president of the Henry George Foundation in Indiana, Pa., and is a member of the Henry George Institute of New York City. He is also an active member of numerous national and international land taxation reform associations, including the International Union for Land Value Taxation in London, England.

Newcomb is the author of six published papers and books. His most recent book is entitled, "Conspiracy Against Homeowners and Tenants." In his latest book he emphasizes that taxpayers are penalized for progress and improvements and he explains how George's proposal for tax reform would benefit the country.

In the preface to Newcomb's book, he says:

* "Most county commissioners and most city commissioners and most mayors know of this conspiracy. In fact, many men and women deliberately become candidates for the above offices in order to better advantage themselves in the conspiracy.

* "Another group of public officials who are familiar with the conspiracy are governors, state representatives and senators. Some cash in on the conspiracy while in office, some get into office in order to cash in when they are retired

or have been defeated from office.

• "There have been a few public officials who have fought the conspiracy. To name some: Tom Johnson, former mayor of Cleveland; another was James Clarkson, former mayor of Southfield, near Detroit; William Onweiler, former representative of Idaho; Floyd Rinehart, former councilman, Indian River, Florida; Allen Papas, former mayor of Indian Harbour Beach, Florida; Floyd Morrow, former councilman of San Diego.

• "There have been many men, who by the power of their pen, have written against the conspiracy: magazine editorials, the late Raymond Moley, formerly with NEWSWEEK; newspaper articles; Harland Trott, formerly with the CHRISTIAN SCIENCE MONITOR; Walter Rybeck, formerly with the DAYTON DAILY NEWS, and now Administrative Assistant to Congressman Henry Reuss; Max Ways and Gurney Breckenfeld, both with FORTUNE Magazine; Richard Noyes, Editor, Salem, N.H. OBSERVER; and again, many more.

• "In recent years, there have been hundreds of college professors, who through their teachings, forthrightly expose the conspiracy. Here are a few:

• "Professors Robert Anderson, University of Alabama; Mason Gaffney, University of California; C. Lowell Harriss, Columbia University; Jay W. Forrester, Massachusetts Institute of Technology; Steven Cord, Indiana University; Dick Netzer, New York University; James L. Busey, University of Colorado; also the following university presidents: Robert C. Wood, University of Massachusetts; A.M. Woodruff, University of Hartford.

• In the commercial world, here are some of the men, who through their business affiliations, have done their part in exposing the conspiracy: Carl E. Madden, former Chief

Economist for the United States Chamber of Commerce, now deceased; and Andrew Heiskell, Chairman of Time, Inc. You might note that I have not listed a single newspaper syndicate writer, or a single feature writer for some of America's prestigious newspapers.

• "Clergymen and the churches they serve have been derelict in exposing the conspiracy. They should be the bastion of social service as well as spiritual service to mankind. The late priest, Edward McGlynn, was excommunicated by the Pope for his part in exposing the conspiracy, but after world-wide protest, was later reconciled; the late William Reece was fired as pastor of the Swedenborgian Church for the same reason.

• If the clergy for the Protestant, the Catholic, and the Jewish faiths would jointly mount a great Crusade to expose the conspiracy, the achievement in social justice for all mankind is inestimable!"

Speaking for the substance of his book, Newcomb maintains that Henry George gave us fundamental economics as opposed to the charts and graphs that the monetary economists rely on.

"I show how we could abolish tax penalties for building and improving property and how the average homeowner, businessman and farmer would save up to 35 percent on property taxes. This proposal would also reduce the financial burden of owning a home and would attract industry and stimulate investment and growth," Newcomb said.

Newcomb is particularly enraged at how the present property tax structure increases the monopolization of land to the degree that retirees have seen their hard-earned savings diminished by the inflation.

"Rentals have skyrocketed beyond their ability to enjoy

decent housing, condominium conversions have lessened the number of rentals available in the competitive market, and the situation has become so critical that many of the elderly, living on hardly more than social security, are stealing food from the grocery stores and rummaging for leftovers in restaurant garbage cans.

"This has also triggered more thefts in the fast food service stores at night, with the store managers often victims of murder. With the startling increase in unemployment, otherwise law-abiding citizens are stealing money and food.

"Every jail and prison in the United States is overcrowded with people who are under-achievers, who in a better economy might at least have low or modest paying jobs. And as jails and prisons are low on the priority list of needed public facilities, this over-crowding leads to violence in these institutions, and riots inevitably occur.

"But tension does not only occur in jails and prisons. Tensions spill over into the family. The physical and mental health costs that evolve from the effects of a stressful society increase the cost of health care: doctors, hospitals, nursing homes, and the huge health care insurance industry, Medicare and Medicaid.

"It is preposterous that such a simple change in the property tax cannot be enacted by the state legislators so that improvements can be untaxed, and land have a higher tax — thus giving mankind greater direct or indirect access to the land.

"We kept these conditions from occurring in the early 19th century by opening up land to the homesteaders. We must do it again by land value taxation."

Films on the subject of land tax reform are available through the Media Foundation and Newcomb has requests from throughout the U.S. for

his large supply of literature. "We got a request from Spartanburg, S.C., this week for several hundred of our pamphlets on "The Two Trillion-Dollar Cost of Today's Wrong Kind of Property Tax," he told The Times. "We also get requests from television stations throughout the state for our films on the subject."

Pittsburgh is one of four cities in Pennsylvania that have adopted George's philosophy on tax reform. It succeeded so well, city officials report, that during the first four months of 1980 the city has enjoyed a building boom, although most cities in the northeast are suffering a severe loss of population, loss of jobs and reduction of factory output.

Twelve hundred and fifty professional writers have received literature on land economics from the foundation. Several magazines will be running stories shortly, one Washington-based newsletter expects to devote an entire issue to land economics, and one author is writing a chapter on land economics among a symposium of authors writing on land reform for a hard-cover book, says Newcomb.

"The Conspiracy Against Homeowners and Tenants" is available from the Media Foundation for Land Economics, 532 Wickham Road, Melbourne, FL 32901. \$3, including postage and handling.

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