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January 29, 1987

Dear Fellow Georgist,

For most of our 61 years of existence, it has been the policy of the president to make a report to the membership in January, and we are happy to continue this tradition - especially this year, since we have another victory to report: Scranton, Pa. City Council increased its land tax rate but not its building tax rate. The new rates are 4% on land assessments and 0.8% on building assessments. The land tax rate is now 5.2 times the building tax rate (it used to be 3.8 times). It's safe to say that without our efforts, Scranton would have raised both the land and building tax rates; the mayor had suggested that.

We were hoping for more real-world victories this past year as a result of our extra efforts, but we had many near-misses and we do have some hot prospects to follow up on. We'll get our Bandwagon moving yet - our scenario is to first get some real-world victories, then show that a building-to-land tax switch is always followed by a construction spurt greater than what neighboring and comparable cities have experienced, then publicize these results, then get the Establishment to take up our Cause. We could suddenly burst out of obscurity then. Our purpose is nothing less than establishing the Birthright of all Mankind to the Earth, but we'll do that faster by a deliberate step-by-step method than by loud declaiming or talking to ourselves.

It must be said we're still at the first stages of this scenario; if we stop pushing, the Bandwagon won't move; it hasn't developed its own momentum yet. But here's some of the things we've done this past year to get this Bandwagon moving:

(1) We prepared a study of the New Castle, Pa. two-rate tax and we're grat to discover that its construction spurt far exceeded the construction records of two neighboring and comparable cities. (Incidentally, we prevented rescission there with this study).

(2) We are preparing a booklet called "The Evidence" which contains all the studies showing post-switch construction spurts. It will be available soon.

(3) We have launched an advertising campaign in the Washington Monthly which has so far produced many inquiries. We're following up on them.

(4) We've bought a computer and mailing printer (for \$6,400!) in order to be able to enlarge our mailing list.

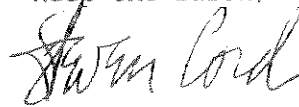
(5) We'll be approaching the federal government for national land tax action soon. This will be a new initiative for us - more about this during the coming year.

Now about our organization's finances. We want to thank those members who have contributed, often with extreme generosity, to our recent annual Fund Appeal. Georgists are so evenly spread throughout the country - only 11% are in Pennsylvania, 13% in California, the rest from all over. We want especially to thank the Henry George School and the Robert Schalkenbach Foundation for their large grants to our educational affiliate, the Center for the Study of Economics.

Incidentally, if you have not yet responded to our annual Fund Appeal of this past November, please use the enclosed envelope to do so. We will apply your contribution to cover the costs of upcoming campaigns with the federal and local governments. These costs include telephone, correspondence, travel, secretary-office manager and of course Incentive Taxation. Of course, members who have already contributed for 1987 can disregard the enclosed envelope.

If you're not set up to visit cities (or the federal government) yourself, then we'll be glad to do it for you.

Keep the faith,



Steven Cord

"The Earth is the Birthright of all Mankind, to which we all have an Equal Right." - Oscar Geiger

The Great Economic Secret is—

Land! It hardly figures into the usual economic analyses and programs, yet a Conference Board study estimates that land values are 23% of net domestic wealth in the U. S. - and this is a gross underestimate. Write us to find out why.

If land values were taxed, it seems likely that we could replace almost all the taxes now levied on workers and capital investors. What a boom that would create! And what a boon to the unemployed!

No wonder an Urban Land Institute research report concludes that the land value tax is "a golden key to urban renewal - to the automatic regeneration of the city, and not at public expense."

Tax wages or buildings and we'll have less of those things. Tax land values, and we can't have any less land, but owners will be encouraged to use their land more efficiently, thereby creating jobs.

For more on the Land Story (at no obligation) write-

CENTER FOR THE STUDY OF ECONOMICS
580 N. Sixth Street, Indiana, PA 15701

THE WASHINGTON MONTHLY/NOVEMBER 1986

*Abolish
the Property Tax
— on Improvements
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TAX LAND
Not Buildings

COMMON GROUND
2000 CENTURY PLAZA • # 238
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THE WASHINGTON MONTHLY/DECEMBER 1986

The ad which appeared in November for The Center for Economic Studies should have included their new address:

Common Ground
2000 Century Plaza # 238
Columbia, MD 21044

THE WASHINGTON MONTHLY/DECEMBER 1986

LET'S HEAR IT FOR REAL TAX REFORM!

What we got now is Tax Tinkering — cut the top rate while eliminating this loophole but leaving some others; adjust for this squeaky special interest while ignoring other ones. In the end — not much real change.

Instead, let's impose a higher tax rate on land assessments —

- This will enable us to lower taxes on labor and capital — the real economic producers. This will make our exports cheaper; they'll be able to compete better in the world market.
- It will encourage landowners to develop their sites more efficiently — otherwise too much tax expense for too little income from an inadequate improvement. This means more construction and jobs.
- A tax on land values is more in accord with ability-to-pay than the income tax — because land ownership is more concentrated than income ownership.

Better it is to tax mere landholding than private incentive. For more information, write today to —

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THE WASHINGTON MONTHLY/JANUARY 1987

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THE WASHINGTON MONTHLY/FEBRUARY 1987