

JUNE 2020, VOL. 9

RSF DIGEST

NEWSLETTER OF THE ROBERT SCHALKENBACH FOUNDATION

WHAT'S INSIDE?

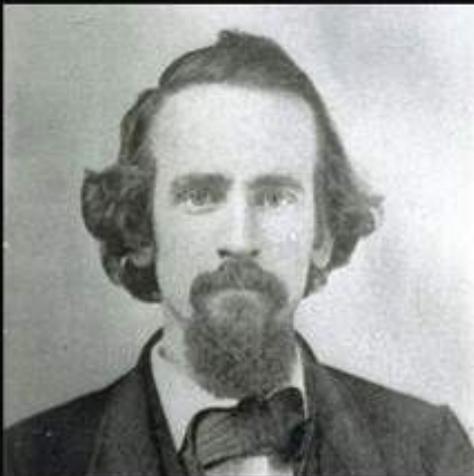
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The Robert Schalkenbach Foundation (RSF) is a private operating foundation, founded in 1925, to promote public awareness of the social philosophy and economic reforms advocated by famed 19th century thinker and activist, Henry George.

Today, RSF remains true to its founding doctrine, and through efforts focused on education, communities, outreach, and publishing, works to create a world in which all people are afforded the basic necessities of life and the natural world is protected for generations to come.

Henry George



What has destroyed every previous civilization has been the tendency to the unequal distribution of wealth and power.

ECONOMIC RECOVERY (noun):

the phase of the business cycle following a recession, during which an economy regains and exceeds peak employment and output levels prior to downturn.

Carrying Civilization Onward

BY JOSIE FAASS, EXECUTIVE DIRECTOR

As I sit down to write this, the sun is just starting to rise and I can hear birds singing outside my windows. My dog comes into the room and sighs before lying down in her favorite spot on the rug. Life in my home is moving in its familiar rhythm as I have my first sips of coffee. But beyond this small bubble, things look anything but familiar. The America I see through my television and read about online is virtually unrecognizable to me.

In the last week, against a backdrop of pandemic, of uncertainty, loss of economic security and loss of life, the ugliness of American inequality has once again been given a face. George Floyd. Has once again been given a voice. "I can't breathe." Has once again been given an image. A heavy white knee on a vulnerable black neck.

Our national response was immediate, and for those paying attention beforehand, unsurprising. The President took to Twitter to deliver his message - a message that prompted the social media giant to warn readers that the words of the Commander In Chief "glorify violence." There has been violence: Minneapolis, Atlanta, Bakersfield, Kansas City and many more cities and towns have seen looting, fires, and arrests. It appears that organized groups of white supremacists had a hand in at least some of the destruction "accelerationists" from out of town, mingling with local protestors and ensuring that the tinderbox was lit.

Perhaps too fittingly, at the same moment the masses were flooding the streets demanding the right simply to be on this Earth, one exceptional (read: incredibly wealthy) American jubilated as his became the first private company to launch astronauts into space.

While the benefits of the "SpaceX-NASA" partnership (note the order of the names)



is great, let's not lose sight of what is at work. The May 30th launch was a significant step towards Elon Musk's ultimate goal of colonizing (read: privatizing) Mars "to preserve our species." So, in a moment of national darkness, when we desperately longed for proof of American exceptionalism, millions tuned into cheer on what will ultimately and explicitly result in an interplanetary land grab, made possible by the unfathomable privilege our society affords a select few - permitting them entry into the ranks of the ultra-rich.

Were we cheering for this landmark of human accomplishment, this proof of the good we're capable of if we set our minds to it? Or were we cheering with relief at the prospect we might one day walk away from the mess we've created here on Earth, entering an alien utopia created by and for private profit?

As I sit with these dualities I cannot help but think of Henry George. I cannot help but wonder if even he foresaw the true magnitude of the disparities possible in a world where the distance between the haves and have nots are not only unchecked by government but actively accelerated by it.

If he were here today, I believe George would entreat us to do the hard and uncertain work to fix our problems. He would draw our eyes away from the heavens and the flashy distraction of the wealth only a small few will ever know, back to our burning cities and the people in them demanding justice. He would call upon those of us, like myself, who still enjoy the privilege of birds singing through our windows and a hot cup of coffee in our hands, to use the power that comes with that privilege to work for a more equal world. He would encourage that initiative, even if the path to that world is hard to distinguish and following it takes courage we are not sure we possess.

(cont. page 10)

RSF POLICY POSITION

RSF POSITION ON CREATING A FAIR AND EQUITABLE NORMAL (POST COVID-19)

At RSF, our belief, one in which we advocate, is that each and every person in the United States has a right to enjoy a basic quality of life; a quality of life that reflects the incredible technological advances and economic wealth this country possesses. This belief envisions a reality in stark contrast to our current, COVID-19 dominated reality: a reality characterized by unemployment rates not seen since the Great Depression, angry protesters defying social distancing guidelines to come together and demand the “reopening” of America, and individuals and families at all socioeconomic levels grappling with what it means to live in a world in which the need to return to work and desire to see friends and family may be fulfilled at the immediate cost of human lives.

Much of the response that is required in this time will come from knowledge and guidance of the medical community: adequate testing, contact tracing, a vaccine. These interventions will be critical to our ability to protect ourselves, re-start our economy and get acclimated to a new normal.

A policy-based complement--an economic vaccine, analogously speaking, must also be implemented in order to sustain the United States' economic health while addressing this unparalleled public health crisis. We need a policy that is capable of addressing the most fundamental fears and answering to the needs this pandemic has engendered. Such a policy will be capable of providing solutions to the questions that drive protesters into the streets and keep so many up late at night in the quiet of their homes: How will I pay my rent? How will I feed myself and my family? Even if I don't get sick, how will I/we make it through this?

We need a Universal Basic Income (UBI).

The idea that an equal, recurring cash payment would be made to all members of society is nothing new, even in the United States. Alaskans receive such a benefit through their petroleum-financed Permanent Fund, and many have referred to the one-time disbursements through the CARES Act as a sort of UBI primer and as evidence that such a policy might be feasible in the U.S.

As an organization, we believe that now is the time for a UBI. We understand that not just any UBI will do, because if financed incorrectly--for example, through income or sales tax, any benefits such a policy might produce will be quickly swallowed up by increases in real estate prices and other resource rents. This, inevitably, puts more in the pockets of the privileged few and leaves the general public no better off than before. How should we pay for a UBI and how much should it be?

By collecting resource rents we can afford to give every American \$1,000 every month, in perpetuity.

For some, this amount may seem unrealistically large, whereas, for those familiar with Andrew Yang's recent bid for the presidency, it may be very reasonable. Regardless, understanding where this number comes from is key to understanding how it could be made a reality right now, when it is needed most.

Understanding where this number comes from is likewise key to guaranteeing that this UBI would permanently improve quality of life, rather than simply resetting the financial baseline.



The key, therefore, to creating a successful UBI is in how it is financed. Specifically, it must be paid for through the full capture of land rent in the United States, which is estimated to be about \$2.4 trillion annually. This number represents the major portion of the funds needed to support the program, but additional money could and should also come from a \$50/ton tax on carbon emissions (which would yield approximately \$141 billion in public revenue annually), as well as from savings realized as the benefits of other forms of public assistance (accounting for another \$323 billion per year) are replaced by UBI payments.

We understand that today people are desperate for solutions. Solutions that would allow us to return to work and school. To return to a sense of social and economic normalcy. But while we wait on the scientific and medical communities to provide us with the specific solutions to address COVID-19, we have an opportunity to enact a more generalized social remedy, an economic vaccine, as we said, that will safeguard our nation in this time of extraordinary stress and provide benefits in the form of increased equity and overall quality of life. Our plan is one that will continue to benefit ALL long after we have bested COVID-19.

This economic vaccine, which we propose and for which we advocate, is a Universal Basic Income financed through resource rents. And the time to enact it is now.

DIRECTORS' PERSPECTIVES

WHERE THE RSF BOARD EXPLORES CURRENT APPLICATIONS AND IMPLICATIONS OF HENRY GEORGE'S TEACHINGS.

BETTER DAYS

BY: AMANDA L. LARSON, THM

We are born on this earth, live our lives the best way we know how, and when we leave this world our children inherit what we leave behind. But what is it that we are leaving them? Our world is metaphorically akin to a very large ship floating on a sea of bills that future generations will have to pay. Along with a severe environmental crisis, we are leaving them with financial/job insecurity, soaring health care costs, and wildly unfair taxation. And now, we bequeath them the aftereffects of COVID-19, the full depth and breadth of whose medical, social, and economic consequences we cannot yet see. Turning a ship around, changing its course, is challenging.

Often we keep going in the same direction because "that's the way it is" or "that's the way it was done." However, we can no longer afford to keep doing things by habit, or by rote, or hope that someone else will change the system.

The pandemic has changed everything. No more putting off until tomorrow a change of course. Tomorrow has, at last, become today, and now it is time to find some answers and



apply them. All of us must overcome our differences and work together to solve our problems. In the 1960's there was a movement called the Youthquake. It was a time when some of the old ways of living were seen as increasingly outmodeled, and society, corporations and sometimes even government looked to young people for inspiration. Much of this was due to the Baby Boomers' coming of age, challenging the status quo, and wanting to break free from what many of them perceived (**cont. page 8**)

CALLING ALL AUTHORS!

Want to examine a current issue through a Georgist lens? We'd love to feature your work on our website and in this newsletter.

WHO:

Anyone who can write critically about today's world in a way that reflects the ideas of Henry George.

WHAT:

Blog posts for our website and this newsletter.

WHEN:

Anytime and all the time - we're always looking for authors.

WHERE:

Check out "Blog Author Information" on our website for full details.

"Police killed 1,099 people in 2019. Black people were 24% of those killed despite representing only 13% of the population."
(source: mappingpoliceviolence.org)

DIRECTORS' PERSPECTIVES (CONT.)

THE ROLE OF DEBT CANCELLATION IN IMPLEMENTING LAND VALUE TAXATION

BY: NICOLAUS TIDEMAN



In ancient Sumer, it was customary for a new monarch, upon ascending his throne, to cancel the debts of farmers to their landlords.[1] (The debts of merchants to one another, however, were not canceled.) The Hebrew Bible establishes a similar economic and social institution, the Year of the Jubilee, once every fifty years, when all debts related to land were terminated and the land reverted in full ownership to the family that owned it at the previous Jubilee. [2] These practices limited inequality and ensured that debt was not allowed to stifle these economies.

The idea of canceling debts seems counter to economic interests, because of the perceived likelihood that it would make people unwilling to lend who would otherwise be willing to do so. But another view is that a social system should not allow people to contract themselves into impossible penury, and a practice of recurring debt cancellation is a way of precluding impossible penury.

The idea that debt cancellation can ensure that an economy will thrive can be applied today, as we look forward to a time in the not-too-distant future, when we will need to cope with the economic consequences of all the government spending that we have been using to ensure that people will survive the economic shutdown which was mandated to help slow the spread of COVID-19.

If we do nothing, we are likely to face great inflation. To stop the inflation, we will need to levy taxes in order to take money out of circulation.

Taxes are never popular, and they also cause economic harm and discourage economic activity, with the magnitude of the harm roughly proportional to the square of the tax rate, unless the tax is one that compensates for a harm (like a tax on pollution or congestion) or the tax is a “lump sum” tax, that is, a tax that does not vary with the taxpayer’s economic decisions. The lump-sum tax with the greatest potential is a tax proportional to the sale value or the rental value of land. A properly administered tax on land does not depend on the income which the owner obtains from the land, but rather on the maximum bid that someone else would make for the land; therefore, it is a lump-sum tax. (cont. page 8)

DOES ECONOMIC SHUTDOWN ALLOW A RESET ON POLICIES TO MAKE HOUSING AFFORDABLE?

BY: RICH NYMOEN

Kelly Doran, a prominent Minneapolis housing developer, argued in a recent op/ed that with the current economic shutdown, the city’s



“inclusionary housing” regulations that require market rate developments to include a percentage of affordable units should be eliminated. He says that such requirements, along with the difficulty in cobbling together various sources of funding for affordable housing, are too onerous during the fall-out from the economic shutdown.

Doran explains that there are two main ways to develop affordable housing. One way is for non-profits to develop an entire building of affordable units, the costs of which are subsidized by up to ten sources of financing because rents do not cover the costs.

He says the most common source of such subsidies are government-granted tax credits. Governments sell these tax credits mainly to corporations and banks (which use them to offset their state or federal taxes) and fund affordable housing efforts with the resulting revenue.

But, according to Doran, because banks and corporations will see lower profitability with the current shutdown, they will have less interest in buying such tax credits and thus funding will dry up for 100% affordable projects. The second way to develop affordable housing, according to Doran, is through projects that mix affordable and market rate units. (cont. page 9)

DIRECTORS' PERSPECTIVES (CONT.)

OP-ED: UBI/PPP RESPONSE

BY: LEE HACHADOORIAN

I was talking with my brother about his experiences as a small business owner during the current COVID crisis. Jay and his wife, Christina, run a gym in Long Island City, a neighborhood in Queens, New York. During the mandated shutdown, the fitness industry has suffered significant financial losses across the board. While this has left millions of people with nowhere to workout, it has also left owners and staff alike scrambling to stay afloat financially.

My brother and sister-in-law have kept the gym going by offering live video fitness classes. Thankfully many of their members have maintained their memberships. But, there is membership churn in a normal month, and new memberships have dropped to nothing.

To keep their business open and continue to pay their trainers, my brother applied for loans under the Paycheck Protection Program (PPP) of the CARES Act. Immediately, they found that their bank, like many other banks, was scrambling to get systems in place to offer these loans. The banks were not ready. My brother was not even able to put in an application. By the time they could apply, the funds were gone.

Congress responded with a second round of funding, and they were to get their loan. Problem number two: their business payroll is low since most of their trainers are paid as contractors, so the amount they qualified for was not enough for the size of their staff. Notwithstanding criticisms of the rise of the gig economy, failing to account for this economic reality undermines the effectiveness of the PPP.

It is easy to let this devolve into complaints about government, and doubtlessly conservatives will (and have) turn these missteps into talking points against government action. That is not the goal. It is always going to be hard to craft a policy response to situations which, like COVID-19, are rapidly evolving and historically unprecedented.

When economic policy hasn't even caught up to the gig economy, how can it provide financial stabilization in these circumstances? Although some policy response is utterly necessary--doing something imperfectly is still better than not doing anything--we need to be preparing, not just reacting.

We need to think about building resilience and stability into the system. One possible solution is Universal Basic Income. Long supported by both conservative and liberal thinkers--though not the establishment of either major political party--UBI has broken into the mainstream mostly due to Andrew Yang's presidential campaign.



While Yang emphasized the threat of automation, COVID lets us see that UBI would provide stability during any massive employment disruption. This is not to say that UBI solves all problems, or that Congress would be absolved of the responsibility to craft responses tailored to the unique circumstances of some future crisis, but an income floor would buy us time when events threaten to overrun us. By "us" I mean both the households suffering loss of income and the politicians and policy analysts trying to adapt.

How should UBI be funded, and at what level? Yang suggested \$1,000 per month for each adult American funded by a value added tax. It is a concern that funding a UBI from consumption taxes will be inflationary. In fact, this is a common criticism of UBI. I, along with the RSF Board of Directors suggest funding UBI from resource rents, including royalties on oil and other natural resources, carbon taxes, the broadcast spectrum, and the rental value of land. Capturing such windfall income for public will not be inflationary, and we estimate these sources would in fact yield slightly more than \$1,000 a month. Our current circumstance is proof that UBI can be a stabilizer against the massive economic disruption of predictably unpredictable events -- events that we know are inevitably coming: natural disasters, extreme climate events, and, even future pandemics. We have a choice, right now, about the right way to plan for the health of the American economy. That choice is between treating the symptoms when they arise, or strengthening the immune system now. UBI is one part of an economic vaccine that will keep our economy healthy for the decades to come.

DON'T LET A LACK OF TRUST LEAD TO TURMOIL IN TRADE

BY: MATTHEW DOWNHOUR

The global extent of the COVID-19 pandemic has led to much hand-wringing about the future of globalization. Disputes over trade in critical goods have led to predictions of a future autarky. In response to a dispute over face masks, Ontario Premier Doug Ford declared that "I'm not going to rely on President Trump, I'm not going to rely on any Prime Minister or President from any country ever again." The US media has criticized US exports of ventilators and personal protective equipment in the months leading up to the crisis's arrival in the US; the clear implication being that those goods should have been used for Americans.

It may be commendable to have some excess capacity ready to produce strategically or medically critical goods. But for every country to be self-sufficient in such goods in all cases is not only inefficient, but will likely make future pandemics worse..

Take the example of US exports of ventilators and masks to China in January. In fact, that equipment likely saved lives in China, while in the US it would have sat idle for additional months. Similarly, efforts by China and Mexico to dramatically increase their own exports of such medical gear--with China largely recovered from the pandemic and Mexico yet to be hit as severely as the US--have likely saved lives in the United States. Hopefully, the pandemic will not be as severe in Mexico as it is in the US, but if it is, Mexico will in turn depend on US industrial capacity to meet its needs.

Even the supposed cautionary tale of the economic consequences due to COVID-19 has in fact shown the flexibility of trade networks. If China, the US, and Mexico were independently responsible for ramping up production in their own countries, they would never meet the needs caused by the pandemic. However, because each country is able to import from the others at the height of the crisis and then export to its trade partners after the crisis has peaked, the global ability to deal with the crisis is made far more robust by this exercise of free trade.

As George noted in *Protectionism or Free Trade*, "when industry is diverted from more profitable to less profitable occupations, though the capital and labor so transferred may be compensated by duties or bounties, there must be a loss to the people as a whole." Even if the only goods in an economy were those essential to combating epidemic disease, and even if all countries were hit simultaneously, still a global division of labor would outperform attempted autarky. Suppose that every country has the capital needed to produce facemasks, few have factories needed to produce ventilators, and a small number has universities and research facilities needed to study tests, treatments, and vaccines.

A single country choosing to be self-sufficient in all three will necessarily be less efficient. Rather, where existing capital and expertise are sufficient only to produce facemasks, effort should be concentrated there, so as to free up resources to produce ventilators elsewhere, and to work on producing tests where that is possible. In each instance, free trade should be used to distribute these goods effectively. Different elements of the production chain could be concentrated where it is most efficient; firms with the capacity to design and test new ventilators or tests should do so, and leave the assembly to firms where this is the most productive use of labor.

There is essentially no question among economists that, on the whole, this will lead to a greater overall production, which in turn will allow the world as a whole to be better equipped to handle crises of this kind and magnitude. In the recovery from the economic crisis brought about by the pandemic, we are sure to see (and indeed are already seeing) a resurgence of the old arguments for protectionism.

Just as the 1929 crash led to a surge of tariffs in the US and Europe, we should expect the same in the coming months. It is understandable that those left unemployed by the crisis may be resentful of imports; after all, every good imported from abroad is a loss of an employment opportunity for a worker at home. The key will be to demonstrate the absolute necessity for both imports and exports in this challenging time.

George himself knew the best way to sell free trade: it must be paired with economic justice. Generous programs to help people who have been harmed by the COVID-19 related recession are a necessary companion to free trade policies. George described an ideal tax system: one that is capable of raising revenues without dragging down the economy. Such a system will be needed now more than ever. But 'selling' it will require pairing it with spending decisions that prioritize poverty alleviation.

The obstacle to all this is political will. Pronouncements like those of Premier Ford in Ontario will undoubtedly be the norm for some time. It is necessary to fight against these protectionist tendencies to allow for a stronger recovery. Protectionist demagogues must be met not only with rational economic theory and data, but with genuine concern for the well-being of the people and a determination to make the increased wealth and efficiency derived from free trade which works for them.

BETTER DAYS (CONT.)

as the stifling conformity of post-World War II America. Originally this term, Youthquake, was used for a creative movement, one that had to do with art and fashion rather than politics or finance.

My call now, in the midst of a worldwide emergency, is for another Youthquake; one that, instead of artistic pursuits, has everything to do with policy, economics, access to healthcare and, ultimately, societal and economic fairness.

RSF's mission is to encourage financial justice for all, and this is especially critical for the young people of our country. I'm a Boomer, and being part of that group meant that coming of age also came with the assurance that, rich or not-so-rich, a person could do or be anything. I daresay that it never occurred to most of us that society could change so quickly, that the basic cost of living could become so onerous that even two incomes wouldn't necessarily be enough to keep one out of major debt, or that a worldwide health emergency could alter our world so profoundly in the space of just a few weeks.

The raw, ugly truth is that since the mid 20th century we have seen financial inequality rise in the United States to astonishing levels, equaling the disparity we saw in 1920s America. COVID-19 and the approaching economic tsunami mean that it will not be getting better in the near term. Before 2020, much of this had to do with unfair taxation. Now an international medical crisis has been added to the mix, and the need to find answers becomes even more critical.

It's time to press the reset button and be the change that results in steps toward a kinder, better world, one that sees the extinction of the enormous personal burden that comes from lopsided taxation and financial inequality. Let's have another Youthquake, but this time, I call upon all ages to work side by side to make the world a more equitable place.

Henry George wrote the following in his 1883 book *Social Problems*, and his words ring just as true now: Let no man imagine that he has no influence. Whoever he may be, and wherever he may be placed, the man who thinks becomes a light and a power.

Young and old, generation to generation: now is the time to make a difference. Together, we really do have the power to change the world.

DEBT CANCELLATION (CONT.)

A tax on land lowers the sale value of land, but it does not lower the rental value of land. Therefore, it is somewhat easier to consider possibilities in terms of taxes relating to the rental value of land. Suppose, then, that we decided to make the greatest possible use of a tax on land for raising the revenue needed to prevent inflation in the aftermath of the COVID-19 related spending: we decided to levy a tax that collected 100% of the rental value of land. What would happen?

First, the selling price of unimproved land would go to approximately zero because having title to land would mean that one would be obliged to pay in tax as much as it was worth to use the land. Next, anyone with a mortgage on land could be expected to say: "If I have to pay all of the rent to the government and pay my mortgage too, I will be paying more than the land is worth. How can that be right?"

The solution to this puzzle is that if the government wants to collect the rental value of land for public purposes, it should expect to collect the rent from those who are now collecting it, which means the mortgage holders themselves.

When a mortgage holder goes to a courthouse and records a mortgage, specifying that the land cannot be transferred unless the debt is paid, that person is declaring himself to be the person to whom rent must be paid, and therefore the person to whom a tax bill should be sent if a government wishes to collect the rent for public purposes. **(cont. page 9)**



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DEBT CANCELLATION (CONT.)

The moral justification for concentration of taxation on the rental value that land would have in an unimproved condition is that this value is not at all the product of the efforts of those who have title to land or those who hold mortgages on land. It arises rather from a combination of what nature provides, what is contributed by public infrastructure, and what is contributed by surrounding development. Since the holders of title to land have no moral basis for claiming responsibility for causing this value, it is a natural, appropriate source of public revenue.

While it would be possible to send a bill to every mortgage holder, an administratively simpler means of accomplishing an economically equivalent result would be to cancel the debts secured by land and send the full bills to those who have title to land. The economic consequences would be the same as if the tax bills were sent to the mortgage holders for the full amounts of the debt payments secured by land.

If land value taxation were only partially implemented, it would be discriminatory to specify that all the payments owed to mortgage holders would be collected in tax before any tax was collected from the title holder. It would be fairer to stipulate that the portion of the tax owed by the mortgage holder would equal the percentage of the rent collected by the mortgage holder. This could be administratively accomplished either by allowing the debtor to “pay” that portion of his debt with tax receipts or by specifying a cancellation of a corresponding portion of the debt. When a debt also covered improvements to land, it would be appropriate to regard the debt as covering first the improvements, but only covering the land to the extent that the debt exceeded the value of the improvements.

To summarize: holders of title to land cannot reasonably be expected to pay the rent of land to governments if they are already obliged to pay the rent to their creditors. This difficulty can be resolved by specifying that public collection of rent means collecting it from those who now collect, which means mortgage holders in the case of mortgaged land. Administratively, this can be accomplished either by sending bills to the mortgage holders, by allowing creditors to “pay” their mortgage bills with tax receipts, or by canceling debts in amounts equal to the creditors’ shares of taxes.

AFFORDABLE HOUSING (CONT.)

He says that these mixed projects struggle to get the financing that 100% affordable projects obtain so cities provide assistance through, primarily, tax increment financing. Minneapolis, though, has mandated that developers cover the affordability costs with no financial assistance.

Doran says that he objected to this mandate before the shutdown because it stymies development and reduces the supply of housing across all categories. But, under the current economic circumstances, he says, it will be nearly impossible to obtain equity and loans for any kind of housing development.

This is because banks will assume any proposed projects will be of reduced value and thus loan less and require the developer to provide more equity for the projects. Many developers won’t be able to increase their equity accordingly and institutional investors will also be unlikely increase their investments.

According to Doran, everything in a project would have to be perfect in order to secure investors and any affordable housing mandates would make the projects wholly unfeasible.

Doran’s analysis is lacking in a number of ways. First, while studies are mixed on whether inclusionary housing requirements reduce overall development, there is no question that land speculation reduces development because, by definition, speculation entails holding building sites out of use until a sufficient premium is offered by builders. Why not mention this barrier to housing development? Second, Doran talks about the need to cover costs but he does not identify the costs involved.



AFFORDABLE HOUSING (CONT.)

There are two basic costs involved in housing development: 1) the construction costs of the structure and 2) the cost of the land upon which the structure is built. Land, of course, has no labor and material costs because it is a gift nature. It's cost is based strictly on "what the market will bear," i.e. what buyers or renters are willing/able to pay for it based on their incomes. With the current shutdown lowering incomes, land costs would be reduced if land speculation was eliminated.

Doran doesn't take into account the development possibilities of holding land on a rental basis from the community. If developers rented their land from the community, they would only have to finance the structure cost of development and thus could borrow less from banks and ask investors for less funding.

A more thorough analysis suggests :

- Stop taxing buildings so they're cheaper to build, improve and maintain
- Tax land at its full rental rate (6%) so speculators don't demand premiums for it from builders and so developers only have to finance structure costs because they would be then holding their land on a rental basis from the community.
- Give everyone in the city an equal resident credit of several thousand dollars annually so all households can more easily afford housing and other basic needs, similar to the \$1600 per resident Alaska dividend .

Sometimes simpler really is better.



CARRYING CIVILIZATION ONWARD (CONT.)

If he were here today, I believe George would entreat us to do the hard and uncertain work to fix our problems. He would draw our eyes away from the heavens and the flashy distraction of the wealth only a small few will ever know, back to our burning cities and the people in them demanding justice. He would call upon those of us, like myself, who still enjoy the privilege of birds singing through our windows and a hot cup of coffee in our hands, to use the power that comes with that privilege to work for a more equal world. He would encourage that initiative, even if the path to that world is hard to distinguish and following it takes courage we are not sure we possess.

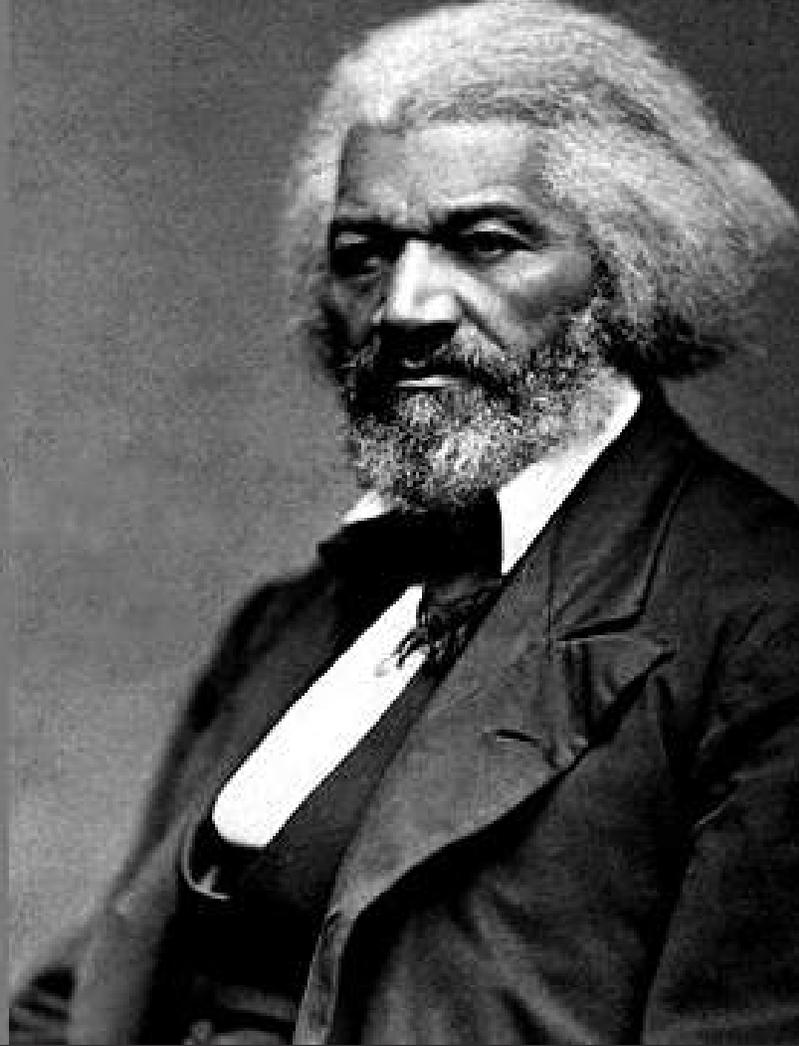
I recently reread Progress and Poverty and was saddened by the prescience with which George predicted the crushing disparities we now see all around us. But this is not a time to lick our wounds, it is a time to work to right the wrongs, and many, many of George's words offer strength and inspiration.

I'll leave you with just these few to consider: "(T)o effect any great social movement, it is sympathy rather than self-interest, the sense of duty rather than the sense of self-advancement, that must be appealed to. (...) In that spirit, and in no other, is the power to solve social problems and carry civilization onward."



“Where justice is denied,
where poverty is enforced,
where ignorance prevails,
and where any one class
is made to feel that society
is an organized conspiracy
to oppress, rob and
degrade them, neither
persons nor property will
be safe.”

Frederick Douglass
abolitionist, died February 20, 1895



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