



Dr. Ascher has a very interesting style which leaves the reader to draw his own conclusions. His examples in the February HGN demonstrate the weaknesses of public leasing with its red tape and rigidities. I should think he would favor LVT, but he prefers public leasing because he wants to have some continued control. This preference implies some distrust of the market place.

I wish that Dr. Ascher could give us some information as to the benefits that have been derived in Israel by its leasing arrangements. My guess is that the benefits are trivial because the leased rentals are way below their market rentals.

M. S. LURIO
Boston, Mass.

Perhaps if we had more accurate terms so that we could understand each other we would find more areas of agreement. Instead of the confusing term land rent, I suggest one that seems to fit a dictionary definition and which completely describes that source of income and future income that can be and is being capitalized for sale and exchange on the open market. I propose we call this rent "privilege income" and tax it as a personal income actual or potential.

The article by Lancaster M. Greene, "Inflation Versus Savings" (January HGN) reverses itself. He says "tax considerations are a poor basis for making investment decisions." But later on the same page he speaks of "protection from the personal income tax." This double-talk would be eliminated if earned income and dividends (capital income) were not taxed, and if

separately reported "privilege income" were taxed as suggested by Henry George on page 405 of *Progress and Poverty*. This source of government income would be achieved first at the local level if we could teach an understanding of taxation in terms of "incentive tax" and "regressive tax" as they apply to the property tax struggle for better assessment practices to reduce or eliminate personal property assessments and resulting tax — and if we developed understanding to the extent that law or constitution changes would permit local option to reduce or eliminate all personal property (including buildings, machinery, inventory) tax.

ARCHIE V. GERARD
La Mesa, Cal.

Clyde W. Silvernale, one of the first active local Georgists, born in 1889, would have been 80 if he had lived until this June. There was a brief graveside service for him when he died although he had requested no priest or prayers and "not a peep about who I was or what I did."

One thing we know, his living here was purposeful and not aimless. Perhaps he felt his God clearly and strongly and he knew that he did not need the aid of intermediaries. Whether the force of cosmos, all-consciousness, or whatever we conceive as that basic all pervading spirit, is of an all containing "river" into which we meld or separate entities making up a whole, there will Clyde be and most certainly with something to contribute.

W. E. PEREIRA
Los Angeles, Cal.

I have been concerned much lately about the growth of private debt in general, and increasing farm debt in particular. It is not only the mortgage debt on farm real estate, but there must be a tremendous amount on this expensive "status" machinery the younger farmers think they must have.

HENRY GEORGE NEWS

The companies almost beg the buyers to use credit — no payments till harvest — cash bonus to help them buy seed and fertilizer on pre-season sales, etc. And what will the consequences be if the economy were to be shaken a bit? Who holds all this paper, and what would be the result under a general foreclosure repossession period? I

shudder to think, because I can remember reading of the five cents per farm sheriff sales of the early thirties, where the auctioneers faced sullen farmers who were in virtual rebellion. Some say it can never happen again. I don't know!

WOODROW W. WILLIAMS
Columbus Grove, Ohio



An editorial in The Detroit News (Feb. 4) suggests three keys to low cost housing in reply to a statement by George Romney, Secretary of Housing and Urban Development, who said the door was locked and the only key was "attraction of large corporations into the field of residential construction." But what will large corporations do aside from continuing to pay inflated costs for credit, materials, labor and land? They do not possess a magic key, although housing does need more large firms to produce 26 million new units over the next ten years.

Instead of only one key the unsigned editorial advocates (1) a premium pay arrangement with construction unions which will agree to work with new techniques and materials, and states this would increase union

incomes while unit production costs would decrease. Also (2) large corporations should be encouraged to use their research and development capacities and to apply such new materials as fiberglass stall showers and plastic plumbing to mass production of housing components. Finally (3) the rationale of property taxes should come under review. Since low taxes on unimproved or vacant land may add to the scarcity or high cost of land for housing purposes, should not tax policy be revised to help eliminate this roadblock to housing construction, the editor asks.

Could this Detroit news source be reflecting the success of improved assessment and taxation methods of a small but flourishing neighbor city, Southfield?

•
"The pursuit of urban greatness will require reforms, both fiscal and governmental, and money," states Edmund K. Faltermayer, Associate Editor of Fortune Magazine, in a book entitled *Redoing America* (Harper & Row). The bulk of the money he sees as private capital, for new office buildings, apartments and remodelled homes. Cities should have plans to insure that it is spent in a manner to enhance the scene, but they should also overhaul their methods of taxation, giving more weight to land in real estate assessments. This would make much of the now vacant and underused land productive. Owners of deteriorating residential properties too would be inclined to improve them or replace them with new structures.

"A good deal of research is needed on how American municipalities might switch entirely to a site-value form of taxation, or at least move partly in that direction," says the author. Such a reform would tend to promote compactly developed metropolitan areas with more of the surrounding countryside kept open for recreational purposes. "Because we have failed to revamp the property tax, we have been promoting exactly the opposite."