

Great Falls Tribune

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HENRY GEORGE
SCHOOL FRIENDS
IN THE NEWS

We Need A Two-Edged Tax Reform

The editorial below is another in a series of guest editorials appearing daily. Opinions expressed are those of the guest-editor-for-the-day.

"We must broaden the tax base."

Sounds like a simple and logical way to reduce the tax load. The idea



implies that if we could get new industries to come to town and bring more people in, we could tax them and spread the tax burden. New industry and increased population should be encouraged, but it won't lighten the tax load. The per capita tax always increases

Russel Conklin as the city grows. Large cities are more expensive to run than small ones. Whenever the growing population requires new schools, or libraries, or swimming pools, or fire stations, the cost of the bond issue falls on all the people, not just the newcomers that made the improvements necessary.

Sometimes, by using the special improvement district method, we are able to assess the cost of new streets or water mains or sewer lines to the property these facilities are to serve, but the city-wide capital expenditures required to serve an enlarged population fall just as heavily on the old inhabitants as on the new ones.

New industry requires added police and fire protection as well as additional water and sewer and street maintenance. More people mean more schools.

But why should taxes be increased just because the community is growing? Some new approach is needed. There should be a source of public

revenue that will keep pace with the rising costs of an expanding population.

There are three kinds of taxes: taxes on what we earn, taxes on what we spend, and taxes on what we own. The first two—income and sales taxes—have been largely pre-empted by the federal and state governments, leaving only the property tax for local public revenue. And those property values that are man made—buildings and improvements—depreciate and should not be taxed. Why should you be penalized for improving your property?

But the value of the land increases with community growth. It is the only value that keeps pace with increased population. Here, then, is the natural source of public revenue—a value that grows as the community's needs grow. Furthermore, to tax this land at its market value discourages speculation and encourages development.

Untaxing buildings and shifting the tax to land values is an incentive plan, based on the profit motive, that will encourage improvement and at the same time keep pace with the growing needs of the community.

Land value taxation is a positive application of the principle of self-interest that will do more to stimulate urban renewal on a free-enterprise basis than all the negative remedies such as zoning and building inspections, important as they are.

Either we have the best tax system that can be devised or there is need for reform. Here is a two-edged tax reform that will provide a natural source of public revenue and at the same time stimulate community development.

RUSSEL CONKLIN,
Former Mayor

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OVER

Peasants in Southeast Asia Seeking Land, Rotary Told

By CLAUDE ADAMSON

RIDGEWOOD — William Buhr, member of the faculty of the Henry George School of Social Science, New York, spoke to the Ridgewood Rotary Club on Tuesday at the YMCA on "The Problems of Southeast Asia."

To his audience of business and professional men from this community Buhr said "You cannot imagine what it is like to be a peasant, for whom there are no such things as salary, wages, profits. Most of them never see money through their entire lives."

Declaring that he was peasant-born in Germany and knew something of the mentality he said that what the peasant in Viet Nam, or any other part of Southeast Asia, wants is more land and freedom from landlordism. They care nothing about Saigon and 80 per cent of them have never heard of it or of the central government there.

The U. S. Department of Agriculture, said Buhr, considers three

acres necessary for the support of a family of six, with three meals a day. Two acres will provide two good meals a day.

The average Viet Nam peasant, he said, owns 1/10th of an acre and the landlord will take half of the produce as rent. He earns about 65 cents a day.

Buhr quoted from a resolution urging the U. S. government to bring all of its pressure to bear on the Saigon government that a decent, practical and pervasive program of land reform be initiated forthwith. This, he said, would be the most effective way to end war-like action in the area.

The peasant, said Buhr, is hungry and desperate. Words like Communism and Democracy are meaningless to him. He wants more land, freedom to work it, the chance to enjoy with his family the fruits of his labor and protection from predatory landlords.

In Taiwan, Buhr said, Chiang Kai-shek has done something about

the problem. The peasants, able to own up to 70 per cent of their holdings, have become "farmers," have achieved a measure of well-being and now take an interest in community affairs.

Buhr quoted an Australian Rotary Journal as saying that the success of the Viet Cong will depend more on economic than on military conditions. The peasants were promised land reform in 1954, he said, to enlist their aid against the French. The program was never put into effect and that, he said, is why they are fighting.

Grants of land would not be necessary, he continued just that it be made available to them.

Buhr then went on to propound the Henry George solution to such problems. Tax all undeveloped land heavily enough to induce the landowner to put it into production, or make it available for others to do so, at a reasonable rental.

Of the world's population, said

Buhr, 90 per cent are peasants. Land reform to make farmers and solid citizens of the peasants, peons, sharecroppers, natives and so forth by whatever name they are called, is an effective way to abolish discontent and hunger, and, in time, raise the cultural and intellectual level of the people.

Undeveloped land, said Buhr, should be considered the common property of society and should be properly taxed for the benefit of society. No citizen, he claimed, is entitled to hold property vacant and unused, at an absurdly low tax rate, either for his own pleasure or for speculation.

The appreciation in the monetary value of that land, he said, will be the result of the increase in population and the owner should be called upon to pay a fair tax for the privilege of holding it, either for the profit to be gained in the future or for the pleasure which he derives from it now.

THE ST. LOUIS LABOR TRIBUNE

THURSDAY JUNE 2, 1966

Revolutionary Tax Reform Theory To Lighten Tax Load On Public Outlined To AFL-CIO Business Reps. Luncheon

An old, yet revolutionary, idea in reforming the nation's tax structure which could end all of today's "nuisance" taxes was outlined to the May 26, AFL-CIO, Union Representatives Luncheon.

Guest speaker Noah Alper, President of the Public Revenue Education Council with national headquarters in St. Louis, suggested that in an effort to support today's economy, people who influence lawmakers have "chosen to pluck the goose with the least squawk—the consumer."

His argument is that there are only two tax "sources"—Human Labor and Land—and since everything emanates from the land, the biggest burden should be carried by the land.

Alper, using the theories proffered many years ago by economist Henry George,

notes that the land is God-given, no one owns it. As a result, the land should carry the burden of paying for society's needs.

To accomplish this, Alper suggests that heavily taxing land values would require land speculators to put the land to effective use and build on it to produce the revenue to pay the tax; coupled with this, improvements on the land would decrease the tax thus effective revenue-producing use of the land would be rewarded—and so would the everyday working man who for example would build a home. Since home-building is not done in prime value land areas, the initial taxes would be lower and building on the ground would make the tax even lower, thus reduce the overall cost of a home.

Could Eliminate Today's 'Nuisance' Taxes

TO DEFEAT LAND SPECULATORS

The same theory applies to business. Alper pointed out that today, "Land speculators" hold prime properties in urban areas, letting them lie idle or develop into slums (today's tax structure allows deductions for idle land and underdeveloped land) while the price of this land soars because of its location. These speculators then sell for enormous profits and have not contributed anything to the society.

"By heavily taxing such land, the speculator is forced to build on it or let someone else build on it who would turn it into a revenue producing property thus providing work for men and increasing the wealth of society."

Alper feels that with a land tax and the federal income tax—the tax on the only other true "source" of

wealth, Labor—the society could sustain itself. He agreed that perhaps several other small taxes might be necessary, but in the main the excessive number of nuisance taxes, i.e. personal property, gasoline, sales, luxury, etc., could be eliminated.

He also pointed out that this is not just theory. In places like Australia, New Zealand, Hawaii, South Africa and even Pennsylvania, it is now working successfully.

When asked why such a remarkable theory, if it could be so beneficial to the American public, hasn't been put into effect in the United States, he replied that the vested interests in our country in fact own the great majority of the land which they are profitably using. "Because of the fantastic influence they wield over the control of taxes, they insure that taxes are placed anywhere and everywhere but on the land."

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