

The NEW LEAF

"EQUAL OPPORTUNITY FOR ALL SPECIAL PRIVILEGE FOR NONE"

Volume 3, No. 3

Published by Land Equality And Freedom

April - May, 1977

LAKE GENEVA TIME NEARS, SPACE GOING FAST!



Pretty, isn't it? This is just another of the delightful meeting places you will be enjoying come July 1-5 and the Joint Georgist Conference on Lake Geneva's beautiful Williams Bay in Wisconsin. A great family playground.

The time is near for finalizing plans for attendance at the 1977 Joint Georgist Conference in beautiful Lake Geneva, July 1-5. And there still are accommodations available but they are going fast, according to Reservations Chairman Sam Venturella.

"The Ross and McDonald lodgings are all filled but there is still space available at the Chapin, Magill and Pearce cottages.

Chapin has 22 rooms with 46 beds, 2 washrooms, 2 complete baths, with lounge and fireplace. Pearce sleeps 8. The cottages in these two units have a special conference price of only \$56 for five days or \$14 daily. This includes three meals daily. Bed linens are provided but you must

bring your own towels and wash cloths.

The Magill cottage has 20 rooms with 40 beds and 3 washrooms. There are public showers in the basement and the cost including meals is \$50 for 5 days or \$12.50 daily.

See the conference brochure which has been mailed to all LEAF members for full details. Send your reservations request and money at once to Sam Venturella. (See coupon accompanying this article). Remember, the banquet costs \$6.00 extra per person and is not included in the food and lodgings charges. There is also a registration fee of \$7.50 single, \$10.00 family.

Act now. Don't be sorry when conference time nears.

Fairhope Crisis!

LEAF members from far and near joined hands to come to the aid of the Fairhope, Alabama, Single Tax Colony which faced dissolution by the Alabama state legislature. Here is the inside story.

On the afternoon of April 19, LEAF Executive Director John D'Alfonso received an urgent telephone call from Director Harry Pollard who was on his way to Kansas City.

Pollard said he had just heard the Alabama legislature was ready to pass legislation, within a week, to dissolve the Fairhope Single Tax Colony. He asked that LEAF members be alerted and, time permitting, file protests.

D'Alfonso telephoned LEAF contacts in Alabama and from Mrs. Claude Arnold obtained details of the grave situation. He then met with LEAF Chairman Floyd Morrow and a 200 letter mailing was on its way before the day had passed.

Wrote Morrow: "... With governmental agencies throughout the nation seeking tax reforms and methods to eliminate stiffen taxes on improvements, now is no time to destroy the Fairhope Corporation. Also, if the legislature can dissolve this private enterprise corporation, who will be next? The Alabama steel mills." The response was quick. From Hawaii, Herb Sulkin wrote Gov.

Wallace telling how, just during the past three years, 47,000 elderly home-owners lost their homes "because of the increase of land rents from an average of \$500 per year to \$5,000 per year." And from Milwaukee, LEAF Director Dr. Arthur Becker, Professor of Economics at the University of Wisconsin wrote Ala. State Sen. L. D. Owen, chairman of the Committee on Finance and Taxation: "I would like to register my strongest protest. . . . Fairhope stands out as an international monument to man's aspirations and economic creativity. It is an outstanding example of private enterprise combined with social responsibility. As such it is something for Alabamians, and all American citizens to be very proud of. Please preserve the Fairhope Single Tax Corporation that it may continue to prosper."

There were others, too, and then came the good news that the legislation was killed by the Senate Judiciary Committee on April 26.

Following is the May 3 letter D'Alfonso received from Fairhope Single Tax Corporation President Sam Dyson: "Dear John: Thanks for coming to our aid in the fight to kill the above noted legislation. We are grateful to all who pitched in to help us out. We hope we have laid this matter to rest for a time and hopefully for all time. Thanks again, Sam Dyson."



A WORD FROM LEAF CHAIRMAN FLOYD MORROW

CHAIRMAN FLOYD MORROW

In mid-April it was my privilege to represent the City of San Diego at the three-day conference in Washington, D.C. called The Alternative Public Policies Conference On Taxes.

At my request LEAF Executive Director John D'Alfonso prepared special LEAF packets which I distributed to law makers, tax officials, and community leader types, and these packets attracted a great deal of interest and comment.

They are similar to LEAF packets which I distributed earlier this year at a special meeting of the San Diego City Council concerning Inner City Development and Taxation problems. They were so well received by my colleagues I requested another dozen.

One of the most heartening things about the Washington conference was the great deal of interest aimed at property tax relief. Interestingly enough, Ralph Nader and I were in agreement the corporate tax should be abolished. It only serves to drive up the costs of everything to the consumer. However, there were a lot of other points on which Mr. Nader and I did not agree.

One of the more startling bits of information at the conference reported that the government collects 900 billions in tax revenues yet only 60 billions or approximately six percent come from property taxes.

The hardest hit by these yearly tax costs are the wage earners and so I ask, why shouldn't wages be considered as property and relief be given in this area, too?

Editor's Note: Morrow is the Dean of the San Diego City Council and was a panelist at the Alternative Public Policies Conference in Wash., D.C., April 15, 16, 17.)

TASK FORCE STATEMENT

(Editor's Note: Following is the beginning draft of a statement of purpose and intent for the Minneapolis Task Force On Land Value Taxation as presented by LEAF member Cathy Orloff. The NEW LEAF presents it as a point of interest for all LEAF members and branches.)
"WHAT IS THE MINNEAPOLIS TASK - FORCE ON LAND VALUE TAXATION?"

• We are a group of people concerned about today's quality of life, particularly in Minneapolis-St. Paul and other urban areas. We are concerned about poverty and unemployment, slums, and sprawl, high taxes, and the many social problems that spring from economic inequities.

• We generally agree on the causes of these problems, and we urge some common-sense reforms to start solving them. (The analysis and reform proposals are given below.)

• At present we are attempting to acquaint the public with the analysis and reforms. We offer to come and speak to any group of any size for no fee.

• As a corollary to our effort to put these ideas before the people in a meaningful way, our long-term goal is to seek legislation that will make these reforms a reality.

• We invite your questions, comments, and support in this effort to make our society liveable again.

• Our unifying insight

is that the earth itself is given to all people in common. Underneath our cities' asphalt and concrete lies LAND, land that has a high dollar value because of the existence of a community around it. As the land was freely given to all people in common, so should its value be enjoyed by the entire community, rather than just a few. This idea is the key concept behind land value taxation."

* * *

A MINI-ANALYSIS OF ECONOMIC PROBLEMS *
Some starting points:

• Land is the source not only of life itself, but of all JOBS. No item of wealth can be produced, no service performed, save on LAND, because everything happens SOMEWHERE. Land is a prerequisite for economic activity.

• "Land" means the natural universe outside of man and his products. It includes natural resources, water, air, sunlight, minerals, etc., and (very important for cities) LOCATIONS.

• Land is fixed in supply because this planet is finite. Thus, as a city's population grows, the demand for land increases, forcing up the asking price for access to land (rents). This can be good or bad, depending on what the society chooses to do about rising land values.

• Since the land values are community-created in the first place, the community could choose to collect them through taxation, to fund public services.

• If the community chooses to leave community-created land values in the possession of individual landholders, who did nothing to earn their windfall, the society will turn out as it has today; a small group of real-estate investors (individuals or corporations) owning all the prime city "property", contrasted against a large mass of urban poor paying high rents; slums; urban sprawl; unemployment, business moving out of the city; urban decay; crime and the other accompaniments of

poverty.

PROBLEM: Poverty and Unemployment.

CAUSE: City land rents become too high for producers and workers.

SOLUTION: Lower rents and land prices by increasing taxes on land values. Increase tax on land values, to prevent land speculation. Also take property taxes off improvements, so owners could maintain without penalty.

PROBLEM: Urban sprawl.

CAUSE: Builders seek cheap land, which is located far from city center. Close-in land is largely underused but too expensive.

SOLUTION: Promote sane, regular land use by making it impossible for owners to sit on valuable locations and not produce, by increasing land value tax.

* A fuller exposition of these economic principles can be found in the American classic, PROGRESS & POVERTY (1879) by Henry George, or in other readings listed in a bibliography available from the Task Force.

PROBLEM: High taxes, like personal income tax on wages, sales tax, etc.

CAUSE: Failure of governments to collect taxes from their natural source: Community created land values.

SOLUTION: Reduce or abolish taxes on individual effort and production by increasing taxes on land values.

* * *

REFORMS URGED BY THE LAND VALUE TAXATION TAX FORCE.

• The alteration of the property-tax system in Minnesota so that the tax falls entirely on the market value of land, irrespective of improvements, and no tax falls on the building or structure on the land.

• The abolition of ALL property tax exemptions in Minnesota.

• The reform of assessment practices in Minnesota, including:

—Election, not appointment of assessors
(Continued on back page)

LEAF Resolution ENDORSES SCA 12

Following is the text of a resolution approved by LEAF's Board of Directors endorsing SCA 12 (State Constitutional Amendment) introduced by Calif. State Sen. Albert S. Rodda. Copies of the resolution are available for distribution and have been forwarded to legislators in the San Francisco-Sacramento area:

Whereas, Property owners and renters in San Francisco are in need of relief from skyrocketing real-estate values and assessments, and SCA 12 will offer immediate relief for the vast majority of owners and renters of real property; and

Whereas, Land users are subsidizing land speculators through higher assessments of improvements and habitual lower assessments of site values; and

Whereas, Present owners of real property are unjustly fined for improving their property while run-down and neglected properties are given a tax incentive to do so, and that this proposal would reward improvements and fine neglected and under-used properties; and

Whereas, This proposal would make the rebuilding and rejuvenation of our cities by private enterprise without government subsidies possible by offering an incentive to build by removal of taxes from buildings and also by making valuable inner-city land cheaper in price; and

Whereas, The congestion of our cities is caused by sprawl and premature recourse to rural land for construction, and that the opening up of inner-city lands through full taxation of those lands would encourage population and enterprise to re-

main within the city; and

Whereas, The need for a city income tax and other kinds of disincentive taxes would be eliminated by the reception of new revenues from land values under a more prosperous economy; and

Whereas, The Land Value Tax is the most progressive tax, the cheapest tax to collect, the tax least open to evasion, the tax that collects only community-created values, the tax that collects for advantages and benefits received from the community directly, the tax that lowers the cost of property improvement, land, rents, and so is anti-inflationary; and

Whereas, Any tax upon capital and improvements takes from the producers their rightful earned incomes; and

Whereas, A tax upon land-site values taxes what is not produced and has no cost of production, land; and

Whereas, SCA 12 would transform the property tax so that it rests upon land values only, by 1982, and improvements not at all; now, therefore,

Be It Resolved, That the Board of Supervisors of San Francisco City and County supports correct assessment of this city's land values, and supports as sound fiscal policy SCA 12 as the basis for a fair, progressive reform of this State's property tax.

Be It Further Resolved, That this resolution be forwarded to the Mayor, to our legislators in Sacramento, to ABAG, to Bay Area Regional Assessor's Association, and to the Boards of Supervisors of all Bay Area Counties."

LEAF TASK FORCE FORMED ON LAND AND TAXATION

A special Task Force on Land Use and Taxation has been formed in Minneapolis with a statement of purpose and intent drafted by LEAF member Cathy Orloff. (See accompanying article.)

At its meeting last month held in the First Unitarian Church, the Task Force heard a talk from John Kari, research staff member of the Metropolitan Council.

Kari said the legislative intent in creating the Council is to coordinate and decide policy for such regional concerns as sewers, interstate highway systems, park systems, water quality, and land use planning. In reporting on the Kari speech, John Burger, Secretary pro-tem of the Task Force reports:

"Gist of his (Kari's) recommendation was to make

LVT ideas part of larger recommendations, and not a recommendation by itself.

"When so included in larger overall packages, LVT application and contributions are more readily observed and more easily understood and assimilated. LVT standing alone is hard to sell. (Do we need reminding?) We must show how it will help to meet needs perceived in various ways and expressed in a wide variety of terms.

"LVT must be seen not only as a revenue raiser but as an impact on many social problems and institutions. How does it affect people? Natural resource use Ecological and pollution matters? . . . Answering these questions without turning people off with overkill is the way to 'sell' LVT concepts."

Leaf Honors State Senator Albert Rodda

California State Sen. Albert Rodda was the guest of honor at a reception hosted by LEAF's Sacramento Branch, Sunday, April 17. Sacramento's Evelyn Friend chaired the event which was attended by LEAF President Dr. William Filante, Deputy Director Terry Newland, and 50 guests.

Rodda was honored for his bill, SCA 12 (State Con-

stitutional Amendment) "to remove all taxation upon buildings, improvements, and personal property, and replace lost revenue through higher taxation of land-site values."

The affair was held at a private residence in Carmichael, a Sacramento suburb. The Rodda bill has been placed on the state senate's docket for a hearing next January.

LEAF SAVES TAXPAYERS MILLIONS

A LEAF sponsored probe of assessment practices in Santa Cruz, Calif., is saving taxpayers there millions of dollars in the immediate future, according to news reports from that community. It has corrected underassessments which were costing the taxpayers some \$600,000 per year and which involved some \$30 million in land.

LEAF has won high praise from a special citizens committee for helping recapture the funds for their county treasury.

Following is the text of a front page article by reporter Richard Cole which appeared in the Santa Cruz Independent. Bearing the headline, ASSESSOR

(Continued on back page)

LEAF SAVES TAXPAYERS MILLIONS

(Continued)

"LOST" \$600,000, the article reads:

"The failure of County Assessor John Seidlinger to raise assessments on thousands of acres of vacant land has cost local property taxpayers upward of \$600,000 a year, according to a report issued this week by the Assessment Practices Committee (APC).

"As much as \$30 million in property escaped taxation prior to the APC investigation, the committee says.

"The APC was established by county supervisors to investigate charges by Land, Equality and Freedom (LEAF) former Executive Director Bob Colonna that Seidlinger's office had consistently underassessed vacant, developable property.

"Those underassessments — now identified officially by the committee — force homeowners and renters to make up the resulting tax losses, charges Colonna.

"APC Chairperson Sara Bunnett noted that Seidlinger was now compensating for many of the omissions that had been identified over the past year.

"But she called 'ridiculous' his claim that the results of the investigation 'do not warrant the expense in both time and money in relation to the overall

workload of the assessor's office.'

"Outspoken committee member Tony Meidl last week called Seidlinger's response to committee requests 'a smokescreen,' adding, 'We should commend LEAF for bringing \$600,000 to the county treasury.'

"After prompting by the committee, Seidlinger's office eventually discovered more than \$24 million in undervalued land in the unincorporated area of the county. That figure is expected to rise to \$30 million or more when incorporated areas are figured into the total.

"In their final report to the board of supervisors, the committee also backed LEAF's charges that property owned by Kermit McGranahan and Mahon McPherson north of Boulder Creek was incorrectly designated by the assessors as watershed land.

"Bunnett expressed kind words for LEAF, telling the Independent that her committee was commending the organization for having brought the underassessments to the county's attention.

"Taking note of Seidlinger's frequent angry denunciations of Colonna and LEAF, she added, 'It's just too bad they took such a beating from the assessor in the process.'

CONFERENCE REGISTRATION COUPON

TO: MR. SAM VENTURELIA,
RESERVATION CHAIRMAN
4721 N. Hermitage, Chicago, Illinois, 60640

Here is my check covering payment in full for the 1977 Joint Georgist Conference.

1st Choice Lodging Facility Goup No.
2nd Choice Lodging Facility Group No.
Convention Rate (5 days) Daily Rate
Arrival Date Departure Date
Registration Fee:

(Single at \$7.50) (Family at \$10)

Ages 8-12, 80% of Adult Charge; 5-7, 50%; 2-4, 30%

Remittance Enclosed

Name

Spouse

Children

Address

City State

REGISTRATION DEADLINE APRIL 30.

REFUND CANCELLATION DEADLINE MAY 31.

BANQUET TICKETS \$6.00 EA.

TASK FORCE STATEMENT

(Continued)

- Cessation of practice of classifying property for tax purposes.
- Abolition of special tax breaks for farmers.
- Simplification of tax system, with end of overlapping of assessment jurisdictions
- The opening-up of assessors' offices, to make their work more visible to the public. The placing of the complete tax roll in every public library.
- The reduction and eventual abolition of the personal income tax and sales tax in Minnesota.

THE NEW LEAF

Published monthly by
454 Mission Valley Center West
San Diego, Calif. 92108

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