

The NEW LEAF

"EQUAL OPPORTUNITY FOR ALL" SPECIAL PRIVILEGE FOR NONE"



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Land Values Double in Seven Years Along Oregon River

(From the Register-Guard, Eugene, Oregon)

There is a real, old-fashioned land boom in progress along Oregon's McKenzie River. And Californians seem to be the chief "colonizers."

A case in point: "Just listen to stories like this one told by long-time McKenzie real estate broker Carl Baker: 'There's a man up the river who bought 7-1/2 acres with a house a few years ago, and he paid \$27,500. Then he went ahead and remodeled it, put in a swimming pool, but probably didn't put over \$10,000 cash into it because he was a retired contractor and he did all the work himself.'

"'Well, two years ago a big Cadillac with California license plates pulled up, the guy stepped out of the car and asked the retired contractor what he wanted for his place and was told it wasn't for sale. The California guy replied, 'Well, everything's for sale. What do you want for it.' The other guy said \$150,000. Next day, the Californian came by with a certified check for \$150,000 and bought the place.'"

The county building inspector estimates that about 35 percent of the new home construction along the McKenzie River is by Californians; while the county surveyor estimates Californians at about 50 percent.

The McKenzie is among the fast-flowing, clearest and cleanest rivers left in one of American's clearest and cleanest states, which explains at least in part why the cost of buying a chunk of land along the river goes up every time someone else discovers it.

A realtor couple, Joe and Pat Skaggs, transplanted from California's Orange County to the McKenzie in 1968, and who handle 70 to 80 percent of all McKenzie land transactions, say that the cheapest piece of river-front land they have listed is \$18,000. It is 1-1/2 acres of land with 190 feet on the river, a good view, but no house. Skaggs says that river frontage is going at a minimum of \$100 a front foot, with some Californians paying \$200 per front foot for raw land.

Carl Baker sold a small tract with 180 feet of river frontage for \$3,750 in 1958. He resold it a few years later for \$7,500, and sold it again last year for \$18,000.

Long-time McKenzie landowner Bob Goodpasture recalls selling 32 acres of land right along the river near Leabury for \$32,000 about 10 years ago. Since then, the same land has been subdivided into small lots less than one acre in size, selling for prices ranging from \$5,000 to \$11,500.

A University of Oregon doctoral candidate, Fred Post, working on a thesis involving land values on the McKenzie, found that the value of riverfront land increased at an average annual rate of 11 percent between 1964 and 1971. That figures out to a near doubling of land values in a seven-year period.

Property taxes on McKenzie property have been going up in proportion. Although the taxes don't appear to be high enough to force long-time residents completely off the river, the climbing tax burden has been an added pressure on many large parcel holders who have been selling off bits and pieces of their land because it costs too much to keep it undeveloped.

Another factor that inflates prices for riverfront land is the relative scarcity of available parcels. The McKenzie is only 70 miles long. No development is permitted on the upper 15 miles, because it's inside the

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Give the Land Back to the Indians?

The Passamaquoddy and Penobscot Indian tribes are laying claim to a little over half the State of Maine. And their claim is not taken lightly in the courts (article by John Kifner, of New York Times News Service, in the San Diego Union, 10/24/76). In fact, the threat is so serious that it has blocked the sale of millions of dollars of municipal bonds, cast in doubt the ownership of private lands, including whole towns, and thrown the state government into consternation.

The story has a bicentennial theme, dating back to the American Revolution, when George Washington entreated the Indians to side with the rebels, and sent Col. John Allan to deal with them. In the largely uninhabited area, the Passamaquoddy were primarily responsible for denying Eastern Maine to the British.

Under the Indian Nonintercourse Act of 1790, provision was made that Indian lands could not be sold without the approval of Congress. In 1794 Massachusetts (which then included what is now Maine) concluded a treaty with the Passamaquoddy tribe, in which the Indians relinquished all but a small part of their holdings. The new federal government of the United States was preoccupied at the time with hostile Iroquois and other tribes, and took no notice. The result was that the sale was not approved by Congress.

This is made the basis of the modern suit, led by Thomas N. Tureen, a young antipoverty lawyer championing the cause of the Indians. The lands at issue number approximately 12 million acres, and are worth \$25 billion, according to Tureen.

The case has resulted in the federal courts ordering the United States government to sue the State of Maine on behalf of the Indians.

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Leaf Board Conducts Executive Search

During the summer the LEAF Board has been conducting a search for a full-time executive director, whose duties will be to mount an aggressive membership campaign, and gear up for a projected land value tax initiative in California as soon as possible.

Candidates were interviewed, including both members and non-members of LEAF, at Board meetings in San Diego on October 2 and in Los Angeles on October 24. As this issue goes to press, the field has been narrowed to two candidates. The final selection is scheduled for a third Board meeting, also in Los Angeles, on November 6.

The name of the executive director will be given in the next issue of The New Leaf.

Johannesburg Assessor Cites Results of Land Value Tax

John McCulloch, chief assessor for the City of Johannesburg, South Africa, had this to say in a recent interview:

"I am totally land-value rating [taxation] oriented. In fact, the development of Johannesburg is due to this site value rating principle. How many cities in the world have had buildings on a site replaced three times in a period of 80 years?"

"Johannesburg has more modern and high-rise buildings than San Francisco. Market value site-rating requires the land to be put to its maximum use, and it is my opinion that large cities in the United States of America and the United Kingdom, London in particular, are being allowed to stagnate because of the 'total value' (taxation of both land and buildings) concept which tends to promote the retention of old unattractive buildings with the impractical underdevelopment of good sites."

Land Facts

(From a brochure of the International Independence Institute)

A west coast developer who tried to build federally subsidized single family houses for under \$24,000 in 1973 said: "With today's land costs . . . you could produce nothing but instant slums."

Indiana Site Value Tax Activity

A friend of LEAF, Richard D. Doyle, a member of the Indiana House of Representatives, reports the following regarding action toward implementing site value taxation in Indiana:

He has been provided this past summer with a committee on property tax reform called "Land Use Taxation". This fall the plan of action is:

1. A constitutional amendment which would permit phasing in of taxing of land and not improvements, as the present constitution requires taxing all "property" equally.

2. A sharp attack on the exemption process, which has taken much of the property off of the tax rolls.

3. An attempt to apply land tax concepts to all transportation systems as legitimate ways of permitting financing of transportation systems, and also a method of providing a system applicable to all modes of transportation, so that they may compete in the market.

4. An attack on the assessment process in order to make changes more effective.

Mr. Doyle also stresses the desirability of holding a seminar on property tax reform at a leading university, such as Purdue, Notre Dame, or Indiana University, to include leading persons from the academic community.

Legislation Pending in Pennsylvania Permitting Local Districts to Adopt A Graded Tax

Senators Murphy and Lewis have introduced bills SB1491 through 1497 into the Pennsylvania Legislature, which would permit all local taxing districts (in addition to 2nd and 3rd class cities, which already have the power) to levy differential rates on land and buildings.

This is at least in part a result of the desire of the Harrisburg School District to levy a graded tax. In fact, the School Board adopted a plan for higher rates on land than buildings, but was informed by their solicitor that it was not permitted.

The bills are now in committee, but Dr. Steven Cord, LEAF's Vice President, and others are working hard to get them adopted.

Los Angeles, San Diego Mayors Disagreed on Property Tax Reform

The mayors of California's two largest cities, Los Angeles and San Diego, squared off against each other at the October 17th meeting of the League of California Cities in San Diego (San Diego Union, 10/18 and 10/21). Pete Wilson, Mayor of San Diego, supported the proposal of a majority of the League's board of directors, calling for a 10 percent shift of state income, sales, bank, and corporation tax revenue to increase the homeowners' exemption from \$1,750 to \$2,750 on assessed value. (With a 12 percent tax rate on the state's 25 percent of market value assessed value, this would come to \$120.)

If the State Legislature fails to take action on the League directors' proposal, the League intends to sponsor a statewide initiative on the June, 1978, ballot.

Mayor Bradley, of Los Angeles, on the other hand, endorsed a resolution of the League's Committee of Revenue and Taxation, containing no specific proposals for tax relief other than to say that the League seeks major property tax reform in the upcoming (1977) session of the State Legislature. Bradley said the resolution backed by Wilson and the directors stood no chance of being passed in the Legislature, and others said it would put the League in a game of intimidation with the Legislature.

On Oct. 20, the last day of the conference, the delegates, by a 142 to 111 vote, turned down the Wilson-backed plan, and adopted by voice vote the Bradley plan.

Nothing was said by either side about a proposal to exempt improvements from taxation, increasing the levy on land values to take up the slack. Such a measure is to be introduced early in the 1977 session of the Legislature by LEAF Advisory Council member, Senator Albert Rodda, of Sacramento. Recent studies indicate that such a tax shift would redound to the benefit of most homeowners (those with improvement values more than land), at the same time discouraging slums and land speculation.

Joint Georgist Conference Scheduled in Wisconsin Next July

During the conference evaluation discussion July 18 at Kendall College in Evanston, Illinois, where a number of Georgists gathered, agreement was reached to hold a national conference next year of all collective Georgist groups. It was also agreed to hold the conference in the Midwest, in a resort setting over the July 4th holiday. Lake Geneva, the number one resort area in Wisconsin, was approved as the site.

LEAF was nominated as the group to chair, with Floyd Morrow, LEAF's Board Chairman, named National Director. Nadine Stoner, Wisconsin representative to the Schalkenbach Regional Committee, was elected Regional Coordinator; with Sam Venturella, Bill Ranky, and Mina Olson, of Chicago; and Marian Piper, of Stoughton, Wisconsin, serving on the Regional Committee. The Committee is also assisted by Weld Carter, of Antioch, Illinois.

Conference Point Camp in Williams Bay, Wisconsin on Lake Geneva has been reserved from Friday afternoon, July 1, 1977, through Tuesday noon, July 5. The camp is owned and operated by the National Council of Churches, and has its own swimming beach, row boats, tennis courts, and volley ball courts. Room rates, including meals, range from \$12 to \$17 a day.

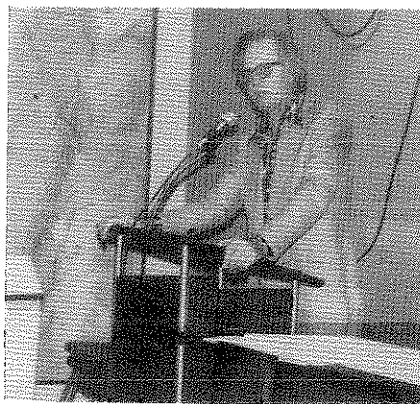
There is limousine service (\$8 fare one way) from O'Hare Airport in Chicago to Williams Bay. Chicago and Northwestern Rail service and Greyhound Bus are available to Lake Geneva. LEAF is checking into tour buses from the East and West Coast next July to pick up conferees. There is also a possibility of chartered flights.

Conference Point has an amphitheatre, and a group sing in planned Friday evening after registration and supper. Those able to play a guitar, banjo, or other instrument are urged to bring them along. Saturday evening is planned for free time, and Lake Geneva offers golf, horseback riding, theater, antique shops, and local entertainment.

Oregon Land Values Doubles

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Willamette National Forest. And most privately owned land on the lower 55 miles is stretched out along a narrow corridor bordered on both sides by publicly owned land locked up by the U.S. Forest Service, the Bureau of Land Management, the State of Oregon, Lane County, and the Eugene Water and Electric Board. Much of the remaining land in private ownership is further restricted by the fact that it's owned by timber companies that aren't willing to sell it.



Board member Robert Tideman tells (at July Convention) how LEAF branches can get involved in local issues.

News Items and Letters Wanted

The editor of The NEW LEAF welcomes any news items, clippings, etc., pertaining to land, taxes, or activities of LEAF branches. Letters to the editor are also welcomed. Please get such items in to national headquarters by the 10th of the month preceding publication.

Indians

Continued from page 1

The existence of the case has recently stopped the sale of \$27 million of bonds by the Main Bond Bank, halting school and hospital construction in small municipalities, and has left the larger towns of Ellsworth and Millinocket unable to float \$4.4 million in bonds. It has sent Maine's Governor Longley and other state officials to Washington in search of a solution.

The suit is the largest of several in New England filed by Tureen and other lawyers for the Native American Rights Fund, an Indian advocacy organization based in Colorado. Other suits have been filed in Rhode Island, Connecticut and in the Cape Cod town of Mashpee.

It was the implication of the suit in Mashpee which has halted local public and private construction, blocked a school bond issue and stopped real estate sales, that alarmed Ropes and Gray, a Boston bond counseling firm, which last month told its clients not to buy Maine municipal bonds.

The precise area of the disputed land, while probably including a little more than half the area of the State of Maine, was not spelled out precisely in the old documents. They speak only of the tribal land encompassing the watershed of the Penobscot River, which follows a wavy line from the Canadian border to the Atlantic Ocean. It includes the cities of Augusta and Bangor, and perhaps 100 smaller municipalities. The suits will probably drag out over several years, at least.

How to Join

It's simple, just check the membership level you desire and fill in the form below. Send it to LEAF's national headquarters or turn it into your local branch.

Membership Form

You can count on me as a LEAF member at the level checked below:

- | | |
|---|--|
| <input type="checkbox"/> Regular . . . \$15 Yearly | <input type="checkbox"/> Friend of LEAF |
| <input type="checkbox"/> Sustaining (\$5. monthly) \$60. Yearly | <input type="checkbox"/> Contribution \$ _____ |
| <input type="checkbox"/> Contributing (\$10 monthly) \$120 Yearly | <input type="checkbox"/> Check Enclosed <input type="checkbox"/> Bill Me |

Name: _____ Branch: _____

Address: _____

City: _____ State: _____ Zip: _____

Branch News

Cedar City, Utah

(From an article in the Iron County Record, Cedar City, 10/14/76)

"The need for a better understanding of assessments for property taxation was the subject discussed at the October LEAF (Land Equality and Freedom) meeting.

"The Cedar City Steering Committee has urged the increase of land value assessments for County land/other than farmland.

"The effect, for a given property tax revenue, would be property tax reductions for buildings and improvements offset by increased land value taxes.

"At the State level the organization is urging constitutional amendments to totally phase out the property tax on buildings, improvements and personal property in 7 or 8 years.

"Earl Hanson, secretary for the committee, reported on visits with the City Council, County Commission and Chamber of Commerce Board of Directors regarding the County assessment proposal.

"A public information program was suggested that would give data on Cedar City assessments using slide presentations and news stories with pictures. Also LEAF is to have the film, "One Way to Better Cities" here for the next three months. Groups wanting to schedule it should call Earl Hanson at 586-6362."

Earl Hanson is also manning the LEAF booth at the National League of Cities Convention in Denver on November 28, 29, and 30. Besides displaying various LEAF, Schalkenbach, and other Georgist literature, Mr. Hanson will have available the

above-mentioned film to show to interested groups. Colorado area LEAFers and friends are invited to assist with the booth. They may write to Earl at P.O. Box 207, Cedar City, Utah 84720.

Minneapolis

Twin City area LEAFers have as a current goal working through the Social Action Committee of the First Unitarian Society. Spearheading the drive are Ruth Pearson, Margaret Ueland, and Lu Johnson (assessor), and John Burger. Mr. Burger has chaired several LEAF meetings at the Unitarian Church.

Our people are working through a special committee entitled Land Use and Taxation Task Force. One of the objectives is to make a study of the impact of taxation on housing availabilities in the metropolitan Twin Cities area. This in fact is the first short range objective of the task force.

At the meeting on October 13 Dick Ferguson presented historical information about Henry George and the land value tax movement, while Lu Johnson discussed assessment problems that might be relieved by land value tax application.

San Diego

The chairman of the conservation committee of the Sierra Club in San Diego read and was impressed with the paper, Common Sense, put out in San Diego by LEAF, as a vehicle of interesting the electorate in a charter amendment to require the City to lease, not sell City-owned land.

Results of Balloting on By-law Changes

LEAF members voted by overwhelming majorities to incorporate the following bylaw amendments:

(2) Notice of membership meeting to be mailed 21 days prior to the meeting; (3) to eliminate cumulative voting; (7) board vacancies to be filled by the runner-up in the preceding election; (8) notice of board meeting to be mailed 21 days prior to the meeting; (9) a majority of directors will constitute a quorum; and (11) the fiscal year will be officially July 1 to June 30.

The remainder of the proposed amendments, with the exception of Number 3 (to increase the board membership from 7 to 15), were soundly defeated. The affirmative vote on No. 3 was 38 percent, while the negative vote was 62 percent. The Board, at its October 2nd meeting, recorded a consensus in favor of increasing the number on the Board as and when it is justified by increased membership.

The poll taken to change the name of LEAF resulted in an affirmative vote of 35 percent and a negative vote of 55 percent. Twelve percent favored retaining the name, but incorporating another one, such as "Committee for Incentive Taxation," as a subheading.

He asked LEAF for a speaker for the October 26th meeting of the committee. Floyd Morrow, City Councilman and LEAF Board Chairman, spoke at the meeting. Enthusiastic response followed, with the group voting to endorse LEAF's proposal.

THE NEW LEAF

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