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## Farm profits and land values

When the Farm Bureau sides with Iowa's Democratic legislative leadership to seek a tax increase to bail out debt-ridden farmers and Senator Charles Grassley sits before the federal Treasury wailing "give us more, more, more," they are only being altruistic with our tax dollars. Their concern is not the economic well-being of our households.

At least there wasn't a like rush to aid unemployed factory workers or failing small businesses in 1982 and 1983, but we got a sales-tax increase to fund property-tax relief for land speculators.

The problem now is, farmers owe billions to banks, farm-credit systems and corporate-franchised vendors of seed, fertilizers, chemicals and farm machinery. Should farmers dump lands securing that debt on a depressed land market, the fat portfolios of a lot of farmers, lawyers, doctors, real-estate dealers and a lot of other land speculators will quickly flatten.

This is why legislators want to tax motherhood, which is exactly what a sales tax or income surtax does, along with fatherhood and childhood.

But do the 840,000-plus households that do not own farmland really want to pay more taxes to keep 20,000 farm families in perpetual debt servitude to maintain high land values for speculators and to pay the residuals for TV actors touting pesticide sales to keep up corporate profits while ignoring chemical pollution of streams and aquifers?

Does a farmer need high land values to make a profit? Does the sun shine more benignly, the rain fall more timely, the earthworms wiggle more adroitly, the rhizobiums fix nitrogen more securely on an acre of land at \$3,000 than on the same acre at \$30? Of course not, and the farmer needs less cash flow on land at \$30 an acre.

It makes no sense to increase taxes on 840,000 households to help pay off billions of debt on land when land values have absolutely nothing whatsoever to do with production except to increase costs and force price-cutting production.

If speculators want tax money to hold up land prices, a statewide levy on the market value of land is a better solution. Those with the most land value to protect will pay the most to help those whose failure would drive down land values. But the latter might find it wiser to abandon the debt to later reacquire land with much less debt-service costs as desperate speculators with rising land taxes seek to unload their land. — Robert P. Willis, 3921 Columbia, Des Moines.

ER ■ Wednesday, March 2, 1988

## Tax lots

A Feb. 4 Register editorial rightly notes falling wages but wrongly dumps the problem on big business and the next administration.

If The Register, Gov. Terry Branstad and legislators were more interested in good jobs and affordable housing for all Iowans than in their own corporate behinds, they would research and push for real economic-development incentives instead of wasting time on silly income-tax changes or cheating Iowans with the lottery.

For example, they can review the economic-development incentives that can be created by taxing idle urban commercial, industrial and residential lots — where housing, jobs and small business could be — at the same amounts per square foot now paid in property and sales taxes by the occupants of lots with similar land values.

With a high tax rate on land values and no tax on buildings, would owners of idle lots give their land titles to others, sell the titles or develop the lots to earn income by meeting the economic needs in the local community? Would land speculators invest in land or in essentially tax-free economic development? Would housing and business space costs go up or down when there are more units? If economic development increases business opportunities, will jobs and wages rise or fall? — Robert P. Willis, 3921 Columbia, Des Moines.

## Free enterprise

Iowa Gov. Terry Branstad, recently back from a trade mission to China, appears impressed by China's successful new economic policy of responsibility, except the governor prefers to call it free enterprise. Obviously Governor Branstad does not know he has been impressed with the success of a land tax, i.e., the taking only of a fixed amount of the production of the land and allowing the tenant to keep the rest.

He is also right in calling this free enterprise. Someday he may realize that the U.S. system of taxing production, instead of the land, is gradually destroying free enterprise in Iowa and America. — Robert P. Willis, 3921 Columbia St., Des Moines.

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Nov. 8, 1988

Robert Clancy, president  
Henry George Institute  
121 East 30th Street  
New York, N.Y. 10016

Dear Bob:

Well this is election day and I've done my duty although all year I have wanted to scream and yell at the presidential candidates and the electorate that presidents or congressmen have no business offering to tend grandma's sniffles or aid farmers and the environment by requiring disposable diapers to be made from corn based biodegradable plastic. Nor can they do much about the economy since the property tax, including the land value tax, is administered by the states.

(The National Tax association meeting was Sep. 25-28.)

I also posed a question to the panel on assessments on how they would go about reassessing land values following the extensive amount of public and private investment in Des Moines' downtown in skywalks, low cost parking garages, convention center, botanical center, civic center, new and refurbished hotels, many new large buildings, etc. The only one willing to tackle the question was the president of the Iowa State Association of Assessors. He suggested calling in the state's department of revenue assessors if we felt our local assessor was not getting the job done. The Association of Community Organizations for Reform Now (ACORN) was already asking for state review of assessments, partly as a result of my pointing out to them that their homes were over-assessed relative to downtown parcels.

I also include copies of some of the letters to the editor on LVT that were published since 1982. Those produced no responses although my wife says some of her friends say they don't understand what I am writing about. Part of the problem is that many of our group receive income from inherited farmland and my brother-in-law, for instance, is always complaining about high taxes on farm land.

Sincerely

*Bob*

Robert P. Willis

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*for letters - see over*