

Are Property Taxes Obsolete?

THE impressive Claremont Round Table conference report reviewed last month ("Cure for Cities") was the subject of a column by Raymond Moley in Newsweek on May 10th. "The lack of local revenue and the distortions in urban growth are coming to be attributed to the inequitable application of the tax on land and improvements," he wrote. "And since it is clear that property taxes are an adequate base for much of the needs of local governments, tax experts, economists, and state and municipal officers are seeking reforms. Only through such reforms can the sweep of federal aid for local improvements be slowed down."

He noted general agreement at the Claremont conference that underassessment of land and high land prices discourage building and encourage holding land out of use, whether vacant or occupied by slum construction. Slums, because of being grossly un-

dertaxed, provide vast speculative profits for investors. Thus present tax laws "harness the profit motive backward." The growth of wealth through stimulation of manufacturing materials, equipment and furnishings for homes and businesses is, Mr. Moley notes, restrained by inflationary land values.

He sees two major keys to reform: state laws that direct separate assessments on land and improvements, and greatly improved methods of assessment. Advocating state laws to supervise all assessors under Civil Service, he says, "the elected assessor must go."

The complete reprint of the report by Perry Prentice, Vice President of Time, Inc., as published in Nation's Cities, entitled "Are Property Taxes Obsolete?" (16 pages, illustrated), is available from The Henry George News, 50 East 69th Street, New York, N.Y. 10021, at 15 cents. Thousands of copies have already been distributed.

Australia is sometimes considered a land where George's principles were first recognized and put into practical effect. Having grown up on George, it is perhaps not surprising that many advocates there now feel it is no longer necessary or relevant to carry his name as part of a system which many recognize as indigenous.

E. P. Middleton therefore proposed dropping Henry George's name from the Union for Social Justice (N.S.W.) the title by which the movement is known. This in no way denigrates either the name or the influence of Henry George, but is merely an effort to make the title less unwieldy, and to relate it more generally to the present day. It avoids a criticism sometimes made that the movement has for its main idea perpetuation of the image of Henry George, whereas the principles he espoused can be thought of as universal throughout history.

Headquarters for the Union are at 265 Elizabeth Street, Sydney, which is also the home of The Australian School of Social Science.

Peter Patsakos is taking a second trip to South America this spring where he will again be teaching economics at both leading universities in Arequipa, Peru. He will also teach an advanced course in the newly established school extension in Cali, Colombia, which is under the direction of Hernan Sanin-Vermont.