

anticipated results from the tax change, and the findings of the study, confirmed that there was a need for still more education. The same kinds of questions, eliciting similar answers from different people in testimony, led Council members to opposite conclusions. Some saw it as harmful to business, others as serving only big business. The homeowner was seen variously as beneficiary and victim. The Committee ended the day by declaring the hearings in recess, allowing time for further study and research to better prepare itself to make a final decision.

The hearings were never rescheduled.

**I**MMEDIATELY after the hearings, Councilman Tayoun began receiving pressure from Democratic Party officials to drop the Bill completely. He was told that it could hurt some of their people and that he should be careful about this sort of thing.

Other Council members, co-sponsors of the Bill, received similar caution and Tayoun predicted that support would vanish. He vowed, however, to continue to push.

The President of Philadelphia Port Corporation, G. Fred DiBona, Jr. wrote to all members of Council expressing strong opposition. He cited the conclusion in our own study — that commercial and industrial categories as a class would pay on average 4.5% and 3.8% more — as injurious to the economy of the city and the survival of many enterprises. Trucking operations were cited as businesses with terminal yards requiring little capital improvements and therefore vulnerable to land value taxation.

The Port of Philadelphia did likewise.

The Chamber of Commerce set up an anti-LVT hot line for members to call in their opposition to the Bill. Chamber President W. Thacher Longstreth, now retired from that position and a newly elected member of City Council, repudiated all the glowing remarks he made about Henry George and LVT as a speaker at the Progress & Poverty Centennial Banquet held in Pennsylvania in 1979. In an article in the Chamber newsletter, he wrote that

there has been no evidence of any benefits to cities that have tried land value taxation; negative results have been experienced from it. If such a change, he said, merely gave cuts to some taxpayers and increases to others, that would be no good for Philadelphia.

In a letter to the Incentive Tax League, Councilman Tayoun urged the group to organize its efforts toward convincing Council and the community that land value taxation was absolutely necessary if Philadelphia was to survive economically. It was agreed by the group that the business community, through the Chamber of Commerce, had staked out its position and was not movable at that point.

Direct effort was again aimed at Council members and community organizations. W. Wyle Young wrote a series of letters to members of Council and compiled a booklet titled "A Tax Reform Whose Time has Come".

Speakers and film presentation were made to the Philadelphia Council of Neighborhood Organizations and individual neighborhood groups by several league members. Banker Ed Dodson, nurtured the budding interest that he had aroused among some colleagues in the financial community and David Zwanetz quietly kept up his commentary on the measure among his wide circle of Republican and Democratic office-holders and office seekers.

But the end of fiscal 1982-83 arrived without a recall of Bill No. 1226.

By then, some big changes in the city were afoot and changes do offer opportunities. Mayor William Green decided not to seek a second term and his managing director, W. Wilson Goode, became the first black man ever to win the Democratic Party nomination for Mayor of Philadelphia. He went on to win the election in November 1983.

Jim Tayoun won re-election to Council in November with a plank in his platform which read: "I pledge to continue the fight I have been waging for a land value tax which will reduce taxes for most homeowners at the expense of land speculators". But he has now resigned from

Council to run for a seat in the U.S. Congress. The opportunities in this change are not so obvious. Lucien Blackwell may be the only real LVT supporter remaining on Council. Time will tell if he will carry the fight for LVT as forcefully as Tayoun did.

The changes of leadership in the business community may not be all bad for LVT. A prominent representative of a business advisory group admitted in a recent off-the-record discussion that land value taxation has to come to Philadelphia. Mayor Goode, who has spent his entire professional life in public service, began his career as head of a housing organization. During his campaign, he told me that his administration would thoroughly investigate the measure and implement it if the results proved favorable.

Emerging circumstances may make the resort to LVT inescapable. After the present speculative land and building spree in downtown Philadelphia is over, it will no longer be possible to describe the city's real estate as the "best bargain in the East". Enormously elevated downtown housing and commercial costs, contrasted with further neighborhood deterioration through failed programs and neglect, will usher in a new construction slump, physical erosion and financial doldrums. Taxpayers will still be paying the subsidies that the lucky players are winning in this real-life monopoly game, and real reform will have to come.

There is support for the change, even at the federal level, but all the necessary work must be done here at the local level. W. Calvert Brand, Deputy Assistant Secretary for Policy and Budget at the Department of Housing and Urban Development (H.U.D.), in correspondence with an ITL member, wrote: "We would not favor coercing localities to shift to site value taxation by linking funding to adoption of the change. Nevertheless, in the spirit of cooperation that is symbolized in the Joint Venture for Affordable Housing, we would positively consider encouraging, assisting and publicizing the efforts of any community that adopted the ideas of Henry George to reduce land costs and improve land use in this country".

## Who owns the Matterhorn?

**T**HE SQUABBLE over who owns the Matterhorn, the Swiss mountain that attracts 25,000 skiers and climbers a year, was recently taken a stage further in the Lausanne federal court, writes Paul Knight.

The court decided that the mountain and its surrounding areas of snow and ice rightfully belong to the village of Zermatt — to the village as a whole rather than to the association of 21 Zermatt families who style themselves the "Burgergemeinde".

As we reported last autumn\*, a Zermatt hotelier named Zimmerman has been challenging the Burgergemeinde's claim to have owned the Matterhorn since their families acquired the land-rights from feudal lords in 1618. His claim that the mountain belonged to "Zermatt as a whole" had earlier been accepted by a local court, and it is that ruling that has now been upheld by the

federal court.

The indications are that the Burgergemeinde, who trace their title to the Matterhorn back to King Rudolf III, will not accept the federal court's decision lying down. Werner Julen, son of the association's president Othmar Julen, has said that the Burgergemeinde are prepared to take further action through the courts.

For the authorities of Zermatt, however, the matter is regarded as settled. They expect to charge the Burgergemeinde rent for the areas of the mountain they are occupying.

The innate frailty of land titles, based as they are on conquest or appropriation, is well illustrated by the Matterhorn case.

The transfer of the mountain's ownership from a small privileged group to all the people of Zermatt can be seen as a step in the right direction. But it still prompts the question of

why the benefits that flow from the popularity of the Matterhorn should be funnelled solely to one group of Swiss people, albeit a larger group than claimed it before.

It would seem far more just and equitable that the earnings of Switzerland's best-known mountain — the earnings over and above the proper returns to labour and capital — should accrue, not to Zermatt as a whole but to Switzerland as a whole.

And if this is right for the Matterhorn, would it not also be right for the whole of the God-given land of Switzerland, mountain and valley, town and country? In short, is it not a fair proposition that the land of Switzerland belongs to the people of Switzerland? It takes only a land-value tax to turn that proposition into reality.

\*Sept Oct 1983, p.94.