NO NEED FOR NEW TAXES by Jeffery J. Smith, Portland, OR The Oregonian, Oct. 15, 2001

Hillsboro School Superintendent Joseph Rodriquez ("In My Opinion," Oct. 2) is an educator who needs a bit of an education. Oregon does not need more taxes. Nor does the state need other people's money. What Oregon needs to do is forget about taking the values that individuals create and collect the values that Oregon generates.

Together people generate economic values wherever they gather, values that attach to land and resources. People raise these site values when they live cooperatively, curbing crime. Where society's agent, government, widens a road or builds a light rail, there land values climb. Where people contribute to techno-progress, as in the silicon Forest, there they pump up location values. And where the scenery is majestic and soils rich and harbors deep, there neither society nor any individual landowner can claim credit, but the Creator of all.

The annual "rentable" value of sites, resources, and sumps (using the environment as a dump site by polluters) is many billions. Throw in the value of state granted privileges - charters, monopoly franchises, and standards waivers - and there's so much public revenue lying around not being collected, it makes any talk of taxing "stools" - sales, incomes and homes - ridiculous. Instead, Oregon should collect all its "rent" and pay residents a dividend, as Alaska does with oil revenue.

Collecting and sharing natural values imposes no collateral damage, unlike taxes on things we do make. Taxing sales is regressive, hurting the poor the most, and turns businesses into tax-collectors, which is a hassle for the small or young ones, and an advantage to businesses that cheat (fail to turn over the collected tax). Taxing income discourages both investment and employment, things we need more of, not less, especially during a difficult recovery.

In this state, housing costs a fortune because location values have gone ballistic. Instead of benefitting a lucky few, those sky-high values can bless us all. We'd merely have to collect them with land dues and share with "rent" dividends. That's make Oregon affordable to all Oregonians.

Since Rodriquez's salary is tied to taxpayers, his longing to tax is understandable. But Oregon could lose taxes, raise all the revenue it needs, pay all the teachers and cops we need, and still have change leftover. By raising its fees for its privileges - titles, franchises, corporate charters, etc. - the state could make the kicker a fixture. Just collect the values that the public generates. \square