

CONGRESSIONAL HEARINGS ON URBAN PROBLEMS

On December 11 and 12, 1979, joint hearings were held before two committees of the U.S. Congress - the Subcommittee on the City, of the Committee on Banking, Finance and Urban Affairs (Congressman Henry S. Reuss of Wisconsin is chairman of both the Committee and the Subcommittee also the Subcommittee on Oversight and Investigation, of the Committee on Interstate and Foreign Commerce. The subject was "Compact Cities: a Neglected Way of Conserving Energy." Congressman Reuss introduced the subject by saying, "We will examine the issues of compact vs. sprawl development" and "Sprawl has become one of America's notorious wasters of energy."

In the two days of hearings, numerous witnesses testified and several reports and articles were read into the record, resulting in a publication of nearly 500 pages, printed by the U.S. Government Printing Office.

Of the witnesses, there were those who emphasized planning tools such as zoning, land use regulations and private-public cooperation. There were also several who pointed to fiscal measures to contain urban sprawl, particularly land value taxation. Grady Clay, editor of Landscape Architecture Magazine, mentioned the subject, citing unjust enrichment through land speculation. Several pages of the special Land issue of House and Home, August 1960 (when P.I. Prentice was editor and publisher) were put into the record. David J. Vann, former mayor of Birmingham, Alabama also cited the growth of land speculation due to low ad valorem land taxes.

William Coyne, Councilman of Pittsburgh, Pennsylvania told of the beneficial effects of increased land value taxation - "incentive taxation" - in his city, and testimony to that effect was reproduced, including a report by the Center for Local Tax Research.

Prof. Mason Gaffney, chairman of the Economics Department of the University of California at Riverside, also testified, and articles of his were reprinted, including "No urban renewal subsidy at all should be needed if the property tax were shifted to land alone" (Nation's Cities); "Containment Policies for Urban Sprawl"; and a lengthy paper, "Tax Reform to Release Land", prepared for a RFF Forum.

Prof. Arch Woodruff of the Lincoln Institute on Land Policy testified on the land reform undertaken in Taiwan, and an article on the subject was included. The "land to the tiller" movement has been reinforced by a system of land value taxation. Prof. Woodruff also submitted for the record an article written early in the century by R. Brunhuber, "Unearned Increment in Germany," which told of the application of the single tax in the model German colony of Kiautschou (China) before World War I.

Richard Noyes, editor of the Salem Observer (New Hampshire), said that the low rate of taxes in his state as compared with Vermont has led to a boom in New Hampshire, but that the consequent rise in land values threatens this growth unless a higher land value tax is adopted. Mr. Noyes also introduced a report comparing the fiscal systems of New Hampshire and Vermont done by Colin Campbell of Dartmouth College, as well as several articles and editorials by himself.

Additional testimony included a report by Nadine W. Stoner of the Beloit chapter of the Wisconsin Property Owners League, pointing out that not only low assessments but also federal funding of programs increases land speculation.

The "energy crisis" gave the occasion to show how important land and tax policies are to this looming problem, and it is hoped that the impact of this testimony will not be lost. (Perhaps you can get a copy through your Congressman.)