



I'm pleased to report that Governor Reagan of California recently signed into law Senate Bill 443. This law permits the financing of all the huge California Rapid Transit System by assessments, which "shall be levied exclusively upon the taxable land." This is the first "Henry George-type" legislation in many, many years in California. Its effect can be enormous. There was no demonstrative support for the bill, but bitter opposition was not aroused either.

The author of the bill was Senator James R. Mills. Some years ago he took the basic HGS course. Miss Louise McLean inspired him. Senator Mills has a good sense of humor and balance and he works comfortably with the other governmental leaders in this state. Although he obviously understands basic economic concepts he has not become doctrinaire about them. If we learn by example there must be a lesson here someplace.

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The federal government already owns a lot of land (more than one-third of the continent) but it is mostly in parks, forest reserves and moun-

tains. The good productive or valuable land is mostly privately owned. If we can collect the rent of land I would say let private persons hold the titles.

Rights to oil and minerals on government land may be very important and the oil companies particularly are not paying what they should. Recently millions of federal funds have been paid for off-shore drilling in California and Louisiana. But the government cannot develop these oil deposits as economically or as efficiently as the experienced corporations. The morning papers say that gas deposits discovered in the North Sea of England may pull that country out of the economic hole, now that their coal is almost exhausted.

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Income tax, why? All services furnished by the community such as roads, police and fire protection, schools, libraries, etc., maintain and add to the cash value, the site, the location value, the rental value of and—not to the value of buildings which are only worth the cost of replacement. Therefore, land rent is community created and constitutes community earnings or wages—the only wages (tax money) that the community has a moral right to collect for the payment of community expenses.

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