

Commentary . . .

Non-Remedial Reading

"In the beginning there was the land, the seas and the air. They were given not to one person, or to a few, but to all — to be used, cared for, and shared." With this profound and attractive thought begins a 15-page pamphlet written by Peter Barnes and Larry Casalino who work for the National Coalition. Titled "Who Owns the Land?" the work is published by the Center of Rural Studies.

The pamphlet touches on railroad empires, corporate farms, timber plantations, energy companies, land developers, land economics and finally land reform.

The last topic is headed by a familiar quotation: "The ownership of land is the great fundamental fact which ultimately determines the social, political, and consequently the intellectual and moral condition of the people." But, while the authors quote Henry George on the importance of land, they ignore him when considering the remedy he suggested for the ills of private ownership. They catalogue 11 things to be done to ameliorate the effects of the private collection of the unearned increment from land, but not once do they mention the simple technique of taxing site or location value to support public services nor do they seem to be aware of the ultimate benefits that would follow such a course.

No Way of Life

Discarding of the parity price ratios used for support of farm product prices was urged by the United States Department of Agriculture's Young Executives Committee almost a year ago — June 16, 1972.

As an alternative, the committee wants farm policy "directed toward maintaining agriculture as a viable industry and not as a way of life." In other words, it would use official statistics as a measure of farm profits considered as a return on investment rather

than as farmers' income. *Barron's* comments: "As students of classical economics, the Young Executives point out that farm subsidies are frozen into land values. (Land growing tobacco, for example, has capitalized supports by \$2-\$3 billion.) Hence land owners rather than farmers have benefitted." It is worth wondering why such ignorance is "natural" but at least it is interesting to note that some attention is paid to the way things work.

Regressivity

The property tax has long been attacked as regressive. This is another way of saying that it falls more heavily on people with low incomes than high incomes.

Of late there have been some important efforts made to demonstrate the fallacy of this criticism. George E. Peterson, of the Urban Institute in Washington has recently published a paper, "The Regressivity of the Residential Property Tax," in which he explains: "if tax rates were equalized among jurisdictions — as for instance through state assumption of the property tax — and assessments were carried out equitably, as prescribed by law, the residential property tax would display a distinctly progressive rate structure and might well have an overall progressive impact on after-tax incomes."

What economist Peterson is saying is that the property tax — the land tax, one might say — is not regressive; it is the abuses of presently constituted realty taxes that are regressive. It is high time somebody made this plain.

Los Angeles School

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