

U N Urges Site Tax to Achieve Development Ends

A somewhat ambivalent view of land value taxation is offered in the latest report of the United Nations Economic and Social Council on "Taxation, mobilization of resources, and income distribution in developing countries."

In a section devoted to Taxation of Agriculture, the report suggests that "a rural land tax is about the best means of mobilizing resources from agriculture without adverse effects on agricultural production." But, it goes on, the contribution to government revenue from this source is considered inadequate.

A careful reading of the report shows, however, that the short fall in revenue is the result of poor and inept administration of the tax, rather than a failure of principle.

Noting that property taxes often include levies on improvements, the report states: "Site is perhaps administratively the simplest form of land taxation." There is, however, the added observation that even in countries where site value is used, the tax base is eroded by exemptions and by the failure to assess properly. The assessments are called either arbitrary or presumptive, and it appears that in some cases the valuation is made by the landowner.

It is hardly surprising, therefore, that the report concludes: "Present land tax systems, as they are, not only lack uniformity and flexibility, but would also seem to be irrational both from a revenue and equity point of view."

On a more positive note, the report

CALENDAR

Spring Term, 1972

Classes begin

Tuesday, February 22

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Money and Banking

Wednesday, February 23

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Thursday, February 24

Critique of Political Economy

Real Estate

Monday, February 28

Man vs. Society

Investing in Securities

Reform for our Time

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Spring Holiday

Monday, March 27—Friday,
March 31

asserts that there is nothing wrong in using land value taxation to achieve development objectives other than revenue. Among these it mentions land reform, the putting of idle land to its best use, increasing the productivity of the land, and influencing the agricultural production pattern.

From any viewpoint it would appear that a major educational task still confronts those who would introduce and implement what the economists call "an ideal tax."

Court Strikes Big Absentee Landlords In California

The large land holdings of corporations controlling almost two-thirds of the irrigated farmlands in Southern California's lush Imperial Valley have been threatened by a recent court decision.

Relying on a residency requirement enacted into federal law 69 years ago, but never before enforced, William Murray, justice of the Federal District Court in California, held that the valley's big absentee landowning corporations were not entitled to irrigate their fields with water from the Colorado River on the ground that they are not bona fide residents of the imperial Irrigation District.

The law, known as the reclamation act, was part of the Theodore Roosevelt administration's effort to open Western desert lands to homesteaders by protecting them against monopolies and speculators. It precluded delivery of water from federal irrigation facilities, such as the Colorado River dam system, to anyone who did not live on or near the irrigated land and limited the supply of water to 160 acres in the hands of a single owner.

The corporate farmers in the Imperial Valley, whose operations together cover some half-a-million acres and whose crops are valued at \$250 million annually, have come under attack for exceeding the acreage limitation. But a ruling by Federal District Judge Howard Turrentine last January virtually exempted the valley's 800 large farmowning corporations from this requirement.

(continued on next page)