

GEORGIST JOURNAL - AUTUMN 1978

GEORGISTS IN THE NEWS

In newspapers, radio and television, and in letters to leaders, our members are busy spreading the word. Below are excerpts from some of these efforts.

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On Sept. 30, OSCAR JOHANNSEN (a Director of Schalkenbach Foundation) appeared on WNBC-TV with a guest editorial on Proposition 13, part of which follows:

"The major defect in Proposition 13 is that it does not recognize that the property tax is actually two taxes - one is a tax on the community-created land values, the other is a tax on the improvement to the land. There should be no tax on improvements whatsoever so as to encourage improving one's home rather than to discourage it. The tax on the community-created value of the land is a different matter. The tax should rise, ideally, so as to recover what is known by economists as the full economic rent of the land. If this is done, there is no point in holding land for speculation on the hope of a rise in the selling price of land, for if all of the economic rent is taxed away, there is no yield, so the price of land would tend to be zero. Land would thus be available for all to use productively... It would initiate a boom which would make all previous booms minor by comparison... But since Proposition 13 makes no distinction between the bare land and the improvements on the land, it becomes in effect a boom for land speculators... Proposition 13 increases the need for subsidy from HEW and HUD - the basic reason HEW and HUD came in existence. But let's give Mr. Jarvis credit for the tax reduction momentum idea... With people discussing the property tax, it may be possible to show that the tax on land values should have no ceiling, while the tax on improvements should be zero."

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