

They could earn an honest living as productive capitalists rather than monopoly landholders.

THIS IS what happened in parts of our State irrigation districts under the Wright Act earlier in the century.

As access to water made lands more valuable, the rise in land values created by this service was used to pay for the system.

Not only were these irrigation projects locally financed, but the game of speculation in land values was curtailed as 81 large landholdings were broken into over 7,000 parcels for successful, diversified small farming operations.

This is California's shining example of land reform through a proper tax reform. The wholesomeness of community life in Wright District towns such as Dinuba, in comparison to towns in corporate farming areas like Arvin, was documented by the well-known Goldschmidt report to the Senate Sub-committee on Small Business completed in 1946.

What would happen to Southern Pacific's 195 acres south of Market Street under a similar use of the tax system?

At a value of about \$250 per square foot, this parcel, when developed, will be worth at least \$1½ billion. This value is created not just by the Southern Pacific but by the presence of all the people of San Francisco.

Based on this \$1½ billion land value, which is probably an underestimation, the economic rent of this parcel would yield over \$150 million dollars back to the city each year – nearly three times the amount estimated under the current system.

In other words, just this parcel alone would generate 15 per cent of the city's current budget of \$1 billion.

Implement this same system throughout the city, which includes, of course, Southern Pacific's other enormously valuable downtown properties, and you would have a well-funded local public financing system with absolutely no burden imposed on productive enterprises.

In fact, the other half of this proposal is that:

- All taxes on labour could then be gradually lifted.
- The inflated cost of land caused by speculation would be undercut, and
- Land would become more affordable for needed use such as housing.

This dynamic tax restructuring would take the land monopoly game out of capitalism and allow individual and cooperative initiative to get the job done.

AROUND THE WORLD

Honduras: repression mounts as peasants demand reforms

REPRESSION is intensifying in Honduras, where democratic politics and guerrilla warfare overlap in a confusing mixture.

The country is used as a jumping-off point for civil wars in the two neighbouring countries.

● **LEFT-WING** guerrillas fighting the government in El Salvador receive their military supplies from Cuba and the USSR via Honduras.

● **RIGHT-WING** guerrillas, backed by the CIA, use Honduras as their base for attacks on the Sandinistas who overthrew Somoza and now run Nicaragua.

The USA is pouring money into Honduras to bolster the fragile government of President Roberto Suazo Cordova.

This support, however, is seen by many as undermining the credibility of the civilian government, which was elected to power in 1981 after years of military rule.

Honduras, the poorest country in Central America – per capita income is £50 per annum – is turning a blind eye to the machinations of both right-wing and left-wing organisations.

The military, however, is gaining the upper hand. The violation of civil rights is on the increase.

Guardian correspondent Tony Jenkins has listed the reasons for the repression in a report filed to London on July 15:

- 582,000 peasants are landless, while 627 landowners own 65 per cent of all farm land;
- 40 per cent of the population is illiterate, with poor prospects of industry-based jobs.

Jenkins wrote: "The pressure for land reform is growing quickly. The government has now ended 10 years of legalised land 'recuperations' and threatened peasants with 12 years gaol for seizure of private property.

"In response, some of the landless have started to face the army with machetes. Five hundred peasants are now in gaol and another 700 face court cases."

The peasant organisations face a dilemma. If they do not act, the hungry people will not acquire the land they need to feed their families.

But if they are seen to be succeeding, this would be the excuse that the army needs to overthrow the democratic government and return to military dictatorship.

DALLAS property owners are due to reap a handsome gain in values.

Voters have backed the plan for a rail network. The cost: \$3.4bn.

The money will be raised by a 1 per cent increase in the local sales tax. This will increase the cost of living for consumers, but rents and the buying price of land near the railway stations will soar once the trains start to roll.

THE PRESENCE of Royalty, it seems, is good for property values.

Prices have been rising rapidly in Gloucestershire. And one of the reasons, according to local estate agents, is that members of the Queen's family have been buying houses in the county.

First to make a mark on the market was Princess Anne and her husband, Capt. Mark Philips, who bought Gatcombe Park. Then Prince Charles and Princess Diana bought Highgrove.

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from 4 per cent in 1979 to over 7 per cent last year.

And there is a danger that potential industrial land will be diverted for housing development, as the supply of housing land in the city becomes tighter. This, in turn, will push up prices further:

"Although values are at present similar, disposal is generally quicker for housing, and this may be expected to lead to a premium on price," says the report.

Birmingham has a proud tradition of industrial entrepreneurship.

Her manufacturers were among the world's leaders in the 19th century, but the city's industrial base has declined steadily in recent decades.

It is not surprising that the city's councillors should be contemplating action to reverse this process.

But while short-term considerations may necessitate the expenditure of taxpayers' money, they should also take into account the reforms that would guarantee long-term prosperity.

At the heart of such a strategy would be the imposition of a cost on the holding of vacant land, to cut back the selling price and increase the supply of land to those who wish to use it productively.

*Industrial land resources in Birmingham, Planning Dept., City of Birmingham, 10.2.83.