

Letters

OK, I'm Convinced — When's the Revolution?

The second part of my subject line is a joke, of course.

I found this site last summer while researching the politics of the woman who created the original Monopoly game in the 1900s. See *The Billion Dollar Monopoly Swindle* by economist Ralph Anspach. I initially thought this was another site for “weirdo” beliefs. I’ve studied the arguments and counter-arguments and am convinced of the veracity of Land Value Taxation (LVT); (fringe? perhaps; crazy? no). The only thing undetermined is the size of the LVT. I would say a 5%/year profit cap should be enough to buy land for current use, but not high enough for speculation. They would seek other investments with greater profit.

Unfortunately, I have been unable to convince anyone else. I even bought a copy of *Progress and Poverty* to loan out. So many people I know own land, even if it’s only a couple of acres.

They don’t accept the notion that they should pay more property taxes as their property values rise. It’s like trying to convince slave-owners that they should free the slaves. “Why should I lose my investment?”

There are three empty lots on my street. That means three families who wanted to build houses had to look further away from the city, or pay outrageous prices. If two were occupied they could have contributed to the cost of the community-maintained gravel road.

When I talk about Urban Sprawl, people say, “Who would want to live in a city?” The common belief is that people bought cars and left the city. When I talk to old family members, they say how great the streetcar system once was in Bangor, Washington DC, or Los Angeles. I discovered a website for a PBS program called “Taken for a Ride” that detailed how GM and others destroyed the streetcar system in the US so they could increase car sales. Unfortunately it would cost \$80 to buy the videocassette, and there’s no plan to rebroadcast.

I almost always see applicability of LVT in TV shows or segments on economics. PBS is currently re-running “Commanding Heights” about the switch from the command economy to a free-market economy in the 20th century. Their episode on “Losers in deregulation and the free market” will talk about a lot of the problems in the world, with no (continued on page 33)

Editor's Note: The *Journal* still eagerly accepts letters, although we haven't been getting terribly many of late! This one came as a post on the “What's Up With That?” discussion board at the HGI website.

mention of Land Value Taxation as a possible solution. A few years ago, Mexico elected an economist as President. Shouldn't Mexico now have economic prosperity? Not if he followed and implemented wrong economics!

I've emailed my suggestions for a show about Land Value Taxation under viewer feedback at PBS, but haven't received a reply. I support many of the goals of the Green Party. However, they support something called "community-based economics". The flat tax of Ross Perot got more attention than that. I wrote to suggest they study LVT, but did not receive a reply.

After reading the online version of *The Corruption of Economics* it is good to see that there are some Georgist economists. I'm writing now, to ask: if I know it and you know it, and some economists know it, then how can this issue get attention? When am I going to hear Georgist analysis on the *NewsHour* with Jim Lehrer?

I do believe that if one state (even DE, RI, MD, or DC) or a less-developed nation implements it, than it will be an example to the world! I like to imagine how my own Maryland might prosper under LVT. If Maryland removed its 5% sales tax, sales would increase 5% even before people came from the surrounding states to shop. If they then remove personal income tax, people would prefer to live here, and have more money to spend. Then they remove taxes on buildings and with the housing demand, home sales take off! If they remove state payroll taxes, businesses would hire more people. Finally, the removal of corporate income taxes would be linked to the levying of pollution taxes. Non-polluting industries would get a break. Even before the removal of building taxes and corporate income taxes, companies might find the removal of the speculative premium from land prices would make it worth locating in Maryland. Other states would have to follow as they heard a "giant sucking sound".

As I mentioned earlier, the transportation system is artificial. If all these things are implemented, we must be sure to direct government spending away from building roads. At the same time taxes on buildings are removed, tolls can be put up at county and city borders to punish commuting from afar and prevent further sprawl. I could go on and on about transportation solutions, but this post is long enough. With a cap of say 5%/year profit on land, state spending would be directed towards concentrated areas that return land value taxes such as inside the DC Beltway, Baltimore, Annapolis, Frederick, Rockville, and Ocean City.

— John K, Maryland