

## Letter-Writing Boom on Land Value Taxation—Why Not?

by Georgina Millar

The New York Times recently ran a front-page story titled "Property Tax Reform Enthusiasm Lags." In the second paragraph, the author tells us "there is widespread agreement on the problem — the property tax is an unfair, burdensome, and inadequate way to finance education and basic government expenditures."

After this, the story concentrates on dissatisfaction with alternatives to the property tax; first and foremost is fear that when revenue is no longer raised locally, government decisions can no longer be made locally. New York State's Fleishmann Commission and Board of Regents, for example, have already recommended a much larger state role in financing education. Both groups would freeze expenditures per pupil at a certain high level and forbid districts spending at that level to increase property taxes and expenditures until other districts catch up. Moreover, under present state law, cities except the six largest cannot raise their school taxes more than 2% of property values averaged over the past five years.

In response to this, representatives of 40 of New York's 56 school districts met to form a Small Cities Coalition for Education. Although there are now eight districts in New York which have reached the constitutional tax limit, the Coalition recommended seeking authority to raise property taxes "even higher in the belief that basic reform is so far off that the cities cannot afford to wait for it."

According to one spokesman, "Real reform is going to come only when the property-tax burden is so great that there is a real revolution." This educator thinks

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## Spring Semester Focusses on George

The spring semester at the School will concentrate on the works of Henry George. **Reform for Our Time**, which has been presented for three semesters, is the core course; it is based on the text prepared especially for this course. **Reform for Our Time** will be taught four nights a week for ten weeks, with the Wednesday session a special section directed toward architects, investors, developers, and underwriters. Architect and city planner Dean Meredith will teach this class.

The book *Reform for Our Time* contains ten chapters, corresponding to the ten sessions of the course. According to the Preface, "This little book is an attempt to offer some of George's insights and recommendations in the idiom of the late 20th century."

Chapter 1 deals with urban America, describing the causes of urban blight and showing that the plight of the poor derives from faults in the system rather than in the individual. Chapter 2 declares the source of land value and cites George on the remedy for the injustices of private property in land.

Chapter 3 reproduces a long passage from *Progress and Poverty* — "the story of the savannah," and applies George's statement of the law of rent to a modern industrial example. Chapter 4 outlines the land question, and is followed by demonstration of the universal validity of the argument through historical examples. Chapter 6 details the American land problem, and Chapter 7 is an exposition of the theory of land value taxation. The example of Southfield, Mich., is repeated, and supply-demand analysis used for the case of land taxation. Chapter 8 discusses the case for land value taxation from all sides, bringing up the problems of zoning, planning, and sufficiency of revenue.

Chapter 9 describes the most important theories of the business cycle, pointing out the contribution of land speculation to the cycle. Chapter 10 discusses the ethical and political meanings of land value taxation. The book also contains five appendices, which explain terminology, Say's Law, Ricardo's theory of rent, assessment practices, and fractional reserve banking; a long "note" contains a biography of George.

In the classroom, *Reform for Our Time* provides the basis for discussion of current social and economic problems that students may not have perceived as land-based. *Progress and Poverty*, on the other hand, is used in the course of same name, taught again by Dr. Harry Fornari. Dr. Fornari points out the gap between social and technological progress, and will lead his "colloquium" in discussions of ethical and political trends.

**Investing in Securities**, presented by Richard Friedlander, and **Small Business Management**, by Renato Bellu, are designed along the same lines as in past semesters. These courses are \$25 each, while **Reform for Our Time** and **Progress and Poverty** have no tuition, but a registration fee of \$10 allows students to take as many courses as they wish.

### Spring Calendar

Reform for Our Time	Mon., Feb. 5
	Tues., Feb. 6
	Wed., Feb. 7
	Thurs., Feb. 8
Progress and Poverty	Thurs., Feb. 8
Investing in Securities	Mon., Feb. 5
Small Business Management	Tues., Feb. 6

# Leading Planner Describes Ideal City— and Calls for Reform of Land Ownership

By Dr. A.E.O. Otokpa  
Kano, Nigeria

Dr. Constantine Doxiadis, renowned Greek town planner, has proposed a revolutionary reappraisal of the laws and concepts of land ownership as part of a plan to build better cities for the future.

He was addressing the 10th annual meeting on Ekistics, a study he developed to deal with the problems of man in the environmental context. The audience included leading experts in related disciplines from many foreign countries — Arnold Toynbee (historian), Buckminster Fuller (engineer-philosopher), Margaret Mead (anthropologist), Lady Jackson (economist), Lord Llewelyn-Davies (architect), and others.

“Our aim, stated simply, is to save nature, man, and the values he has created,” said Dr. Doxiadis. There has been a lot of wailing over the problem of building the cities we need, but no action. “Everybody has failed,” he added, “from China, where peasants moving into the city without a permit are ousted, to America, where urbanization is unrestrained.”

Dr. Doxiadis told the meeting he had worked out a six-point plan to help build better cities — but reform of land ownership laws is an essential prerequisite.

The first principle of the Doxiadis plan is to guide urbanization rather than ban it or leave it uncontrolled. The second is to determine in advance how land is to be used: “Generally we can leave half of the earth’s land surface in its natural state, without any human interference. Another 45% we can utilize for cultivation, from crops to forests. This leaves us 5% for human settlements, and this is five times what we use today. It should be ample to help us revolve our problems.”

The third point is to create common channels for all transportation, communication, information, and power networks. Fourth, human communities should be created wherein the pedestrian’s endurance is the yardstick of overall dimensions — as in the ancient Greek cities. Fifth, “abolish the towers and let us live in human houses.”

Finally, urban administration systems should be revised downwards to the level of manageable communities.

According to Dr. Doxiadis, there are two main difficulties in applying the plan:

the owners of land, and “our own minds.” His research in 38 countries on all continents revealed that half of the obstacles to proper urbanization come from the owners of land, “whom we neither understand nor control.” The second difficulty is our inability to grasp the whole problem and confront it in a scientific manner.

## *Ekistics*

The Athens Center of Ekistics was founded by C.A. Doxiadis to study and report on the problems of human settlements. In addition to sponsoring research and graduate studies, the Center publishes a journal of *Ekistics*, which concerns itself with housing policies and plans, transportation, the environment, and historical aspects of urbanization. The following was written by Dr. Doxiadis to describe Ekistics. Those interested in *Ekistics* should write to the Athens Center of Ekistics, Box 471, Athens, Greece, or the Graduate School of Public and International Affairs, University of Pittsburgh, Pittsburgh, Pa. 15213.

“EKISTICS is the science of human settlements. Ekistics demonstrates the existence of an overall science of human settlements conditioned by man and influenced by economics, social, political, administrative and technical sciences and the disciplines related to art.

“Contrasted to architecture which is confined to the design of buildings, or to town planning which, by its own definition, is confined to towns (that is, one category of human settlements), or to geography, which describes only phenomena of terrestrial space or to several other disciplines whose scale is limited to parts, categories, or types of settlements, Ekistics is a science whose task is to examine all human settlements from every possible point of view in order to develop skills for the solution of the problems involved.

“As such, Ekistics studies the field of human settlements with three different ideas in mind: the geographic dimensions, where we move from the single room to the house, the plot, the block, the neighborhood, the community, the small town, large city, metropolis, etc.; the nature of related disciplines, that is the economic and social aspects of the settlements, etc.; the sequence of procedure from analysis to

the formulation of policies, to subsequent synthesis, programs, and plans.

“In order to study human settlements, the science of Ekistics has had to use a wide range of space and time. It has to start by studying human settlements from their most primitive stage to understand the evolution which has led to forming towns, and is now leading to the metropolis and megapolis; and to understand the type of settlements to come. Furthermore, Ekistics also has to study settlements of several sizes. It has to cover the whole earth and to study all types of settlements in all types of surroundings, in all types of cultures and civilizations, and in all periods.”

## Letter-Writing Boom (cont'd.)

that the income tax should substitute entirely for the property tax.

Statements like this — and stories like this — are apt to make the blood of a Georgist boil, not to mention others well-versed in the facts of the property tax. Presumably, many are inspired to write letters to the editor. But they are seldom published, and in this case, no letter was published to refute the premise of the story or its conclusions.

*Why?*

In a few words, the answer is because the letters tend to be overlong, badly written, and not to the point. *People and Taxes* recently published a primer on how to get your letter accepted for print, and a few tips here are surely in order.

First, editors seem to assume that the readers of their letters column are not interested in treatises on classical theory, however relevant it may seem to the writer. In response to a story on alternatives to the present property tax, a letter-writer ought not to discuss natural law, the labor theory of value, or interest rates, but an alternative to the present property tax, namely, land value taxation.

A letter on land value taxation needn't mention Adam Smith, market forces, or world economic history; the story deals with revenues and local control, and the letter should deal with revenues and local control. The first point is, therefore, to address yourself to the point of the story, however misguided its analysis may seem.

Secondly, a letter to the editor should be no more than one typed page, or two at the most. And it must be typed, unless your name is very famous indeed. Spelling, grammar, and punctuation should be as standard as possible: newspaper editors have a hard enough time editing their own

## from the editor's notebook

"Public Needs, Public Money — How Can We Bridge the Gap?" This was the title of a two-day seminar at the prestigious Women's City Club of New York at the end of November. The first session was "Revenues — What are the Prospects?" and the speakers were Alan J. Campbell, Dean of the Maxwell Graduate School at Syracuse University, and David A. Grossman, Director of the Budget of New York City.

This was the second Women's City Club lecture we attended, hoping to find the spark of a story for the *News*. This time, the first person encountered was M.E. Kriegel, now Editor of the Syndicate Press and an associate of the Geigers before the present School was founded. But both of us left before the question and answer period ended; the only story we got was that the state of New York seems to be enamoured of efficiency over human needs (Campbell), and that New York City's fiscal capacity is exhausted and requires state aid, presumably from higher income taxes (Grossman).

Campbell told us that without a federal tax increase, no additional local pro-

grams will be possible. Present programs will have created a \$25-30 million federal deficit by 1975 without increases in their budgets, and because defense and other international budget items are not to be cut, expansion of such projects as model cities cannot be expected.

As for getting a better return for the money spent, Campbell points to the distribution of the tax burden among local, state, and federal governments; jurisdictional problems should be solved by assumption of increasing responsibility by states and the federal government. Finally, better service delivery depends on improving productivity while controlling expenditures — given that no new revenue sources are apparent, except an increase in the federal payroll tax.

Grossman, introducing himself as the "most maligned man in city service," informed us that the best guide to the near future is the recent past. Thus, over the last ten years, revenue has come from "our side," the real estate tax and other local taxes, and "their side," state and federal funds. While revenue from the real estate tax is double what it was ten years

ago, and the general fund revenues have tripled, state contributions to the city coffers have increased by 40 times and federal money, by 11 times. City revenue, or "our side," according to Grossman, has kept pace with gross personal income in the city, which is between 10-20% on average of "our side."

In the next decade, he projects, the city could balance its budget if welfare were taken over by the state, as it is elsewhere, and if the state paid its share of the cost of higher education in the city, which is unduly burdensome now.

When it comes to transportation, Mr. Grossman declared himself willing to set down guidelines for the subsidies, which would come from a higher level of government. He allowed that a regional organization might apply a real estate tax to finance transportation in the metropolitan area.

This perspective is supposed to prevent us from returning "to the darkest days of the 19th century."

How about the brightest ones, Messrs. Campbell and Grossman?

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## Land Boom Reported

A new land boom is being reported by newspapers across the country, spurred on by the wish to hedge against inflation and a desire for a tangible piece of America. Recent figures released by the National Commission on Urban Problems show that the total market value of all taxable land has increased from \$401 billion ten years ago to \$780 billion in 1972 — almost a 100% increase. In 1961, according to the Federal Housing Administration, the average price of a plot of land suitable for housing was \$2,954 (with an FHA mortgage); in 1971, the figure was \$5,176 — again, almost 100% more.

And this doesn't include the corporate land that somehow misses the tax rolls.

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## New Speculating Angle

Holding vacant land for speculative profits is one thing. But holding an improved site for speculative profits is another, or at least, so said the British government last summer.

For eight years a builder named Harry Hyams could count his growing fortune

stories without trying to do your missive justice.

In addition to brevity and pertinence, a letter to the editor should embody information. The great readership out there is not interested in your opinion, even if your name is very famous. Here writing a good letter gets tricky; how can you substantiate your claim without going into great detail and dropping a lot of authoritative names?

Make an outline of the story and an outline of your objections. And then pare it down until it is conceptually sharp. Theories, details, and names will become superfluous. After all, your purpose is to express yourself as a citizen, not as a professor conducting a lecture.

Most of all, look at your letter from the perspective of someone who doesn't know you and doesn't know much about the issue. Consider the following possible letter to the editor.

Dear Sir:

The author of "Property Tax Reform Enthusiasm Lags" seems to have confused two issues, financing education and financing local government. Few would dis-

agree that property tax-financed education has resulted in inequities, but the property tax itself, even as currently applied, is an admirable equivalent of user charges for local government expenditures. If the land component of the tax were increased and the improvement component decreased or eliminated altogether, as Dick Netzer and other leading economists recommend, the tax would become neutral with respect to income and thus more equitable, without revenue loss.

The land-based tax is, in fact, the main alternative to the present property tax, and is under study by many municipalities. It has also been used successfully in Pittsburgh, Pa., Southfield, Mich., and elsewhere. If enthusiasm for property tax reform seems to be lagging, it is only because a shift to a land-tax involves a shift in our perspective on land use, and land tax legislation faces stiff opposition from land speculators, as well. In the long run, local control can be maintained and possibly improved only by retaining the property tax, first making it a fair and rational tax.

Sincerely,  
Jane Doe