

Tax boost for Granite State

THEY TRIED something new in New Hampshire this year, and it worked.

They called it "the first-ever New Hampshire Farm and Forest Exposition." It was held just two weeks before the first-in-the-nation Presidential Primary election which really puts the Granite State on the map every fourth year.

A team effort, it was co-sponsored by the Department of Agriculture, under Commissioner Stephen H. Taylor, and the Division of Forests and Lands.

Farms and forests, you see, are the two principal means by which nature's bounty is brought out of the land and put to good use to meet the needs of us people.

New Hampshire is essentially an industrial state. That may surprise some. We are a small state, up here in the northeast corner, and one of the original thirteen colonies, so the rest of the country is apt to think of us as rural.

The truth is, though, that with just under a million people living on our 9,304 square miles, we have a population density of about 100 people per square mile, not far from that of the country as a whole.

And measured by the percentage of people who earn their living in factories, we are near the top of the list, sharing that place with such more generally known industrial states as Michigan.

That's one reason they felt it was time for an Exposition: to give farms and forests more visibility within a state where a large share of the people live in cities along the Merrimack River as it makes its way to the sea, or in suburban homes just over the state line from Boston.

FARMERS and lumberjacks here are few and far between. The preliminary report of the 1982 Census of Agriculture reports that there are 2,759 farms in the state, but that could be misleading. A farm is defined as "any place from which \$1,000 or more of agricultural products were

sold, or normally would have been sold during the census year."

The 1982 Census reports only 907 places within New Hampshire with sales of \$10,000 or more, and only 274 where sales were \$100,000 or up.

So Commissioner Taylor and the foresters based their plans for the Exposition on a total attendance for the three days of about 8,000 people.

As it turned out, attendance was well over twice that number.

There is, you see, buried deep within the bosom of many a factory worker and many a merchant, a would-be farmer or lumberjack. It is part of human nature. People have a natural yearning to apply their labor to the soil.

The 1982 Farm Census reveals it. There were 2,508 farms here in 1978, and 2,759 farms four years later, a gain of almost exactly 10 percent.

But the land devoted to farming continued to shrink - from 484,631 acres in 1978 to only 478,607 in

fall, the value of food and fiber produced on them climbs - even when corrected for inflation.

The market value of all agricultural products sold here went from just under \$88 million to more than \$103 million while farms were shrinking. That's an increase of nearly 15 percent.

STEVE Taylor and the foresters took that "back to the land" trend into account in planning the Exposition.

The first day was devoted to commercial agriculture and forestry, the second to what Commissioner Taylor sees as the heart of the farm turnaround: marketing and production. He says that is the way the farmer is going to fight his way out of the economic cellar. The same applies to forestry, in his view.

Agricultural colleges, soil scientists, geneticists and arborists have triggered a world revolution in productivity. That fact is famous. America is falling behind in car production and television sets, but we are feeding half the world.

Now, says Commissioner Taylor, the trick is to get smarter when it comes to marketing techniques.

He is right, in a way, but a careful study of these fresh Census figures leads to a trend which is substantially bigger and less often noticed.

It is *the price of land* - which has a direct bearing on that more fundamental factor: *access to land*.

- The value of the average farm's land and buildings went from \$169,736 in 1978 to \$202,059 four years later, a hike of about 16 percent - pretty close to the increase in crop value.

- The value of those shrinking acres, though, went from an average of \$880 in 1978 to \$1,158 in 1982, a jump of about 24 percent, despite the fact it was a four year period in which land prices nationally had levelled off.

The third day of the Exposition was called - and this is the salient point - "Family Farm and Forestry Day." It was devoted to a group of

Report
by
Richard
Noyes
in Salem



1982. The trend is even clearer when you compare the average size of farms over the four year period. Those benchmarks: 193 acres in 1978 and only 173 acres after four years.

Commissioner Taylor had already noticed that trend when we drove up to Concord a week before the Exposition to talk with him about it.

"New Hampshire agriculture is strong and healthy, and it's growing," he said for the press only a few days before.

"The most exciting development of the past half year," he called the figures, adding: "We've stopped the decline which began after the Civil War and bottomed out about 1970."

He is close to the truth. People *are* going back to the land, and they are finding ways to use it more efficiently. While the size of farms continues to

'Henry George said site value tax frees the people . . .



● AGRICULTURE

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the current "help-the-big-guy" land tax policies, we would have real land reform: the most productive farm land would become accessible to the many, instead of (as now) only to the favored few.

10. As the site value charge would also prevail in cities, and would have the greatest impact upon urban lands, owners of those city acres would be forced to use them productively. This would draw people back into urban areas. And it would reverse the disturbing current trend – that of city tax burdens chasing people out into the countryside, where valuable farmland is then used up for subdivisions, shopping malls and the like, and encroach upon the much desired "open green space" so dear to the environmentalists.

THE OVERRIDING consideration for establishing the site value system is the fact that if all people really knew and understood the concept, and could vote on its adoption, it would pass with at least a 10 to 1 majority! Why? Because only the owners of land would pay charges to defray government expenses – and land-owners are estimated to make up only 10 percent or less of our population. But farmers paying a site value charge would still end up making more profit out of their operation because the charge would be lighter than the present tax burden.

No study has ever been made of "who owns what land" across our nation, and how much wealth the title-holders pocket each year without exerting any effort. Estimates place their annual unearned income at up to \$3 trillion! (That's three times our total national debt!)

Longworth urges that, using computer technology, a Federal Government department (perhaps Interior) should undertake such a nation-wide study.

It is true that the non-farmer – he who holds vast acreages for speculative gain alone – would not like the site value charge. Why not? Because while it would not "hurt" him, in the accepted sense of that word, it would require him to acquire his wealth like the rest of us do – by earning it!

However, remember that he is in a skinny minority; those of us who now pay him tribute for the privilege of living upon and from this Earth will out-vote him!

● Families – encouraged by tax system – are returning to the farm

people who are making the real difference. They are the mainspring that continues to fight this escalation in land prices which is the biggest single factor in the whole picture.

They are hoeing their backyards, nursing lambs in their kitchens, weeding and thinning their postage-stamp woodlots, driven by the instinct for survival to get the most out of their shrinking parcels of land.

Commissioner Taylor and the forest people know about the trend in land prices, are concerned about it, and have been struggling to control it for years. The true economic return from an acre of woodlot is a tiny fraction of the potential speculative return, so long as urban sprawl continues. Farmers face the same set of figures.

Steve Taylor is quick to agree that nothing good comes from the soaring price of land for farming, as opposed to the individual prospects of an aging

farmer who sees the market value of his land holdings escalate.

THE ACCEPTED answer in New Hampshire has been what is known as "current use assessment." It is a price control-type lid on land values, aimed not at the market price but at the property tax burden which rises with it.

It is politically popular among old-family farmers and major woodland owners because, for many of them, it has been temporary salvation. It is "peace in our day", and that is always the basic argument for any form of price control.

But the price trend continues, made worse than ever by current use taxation, the effect of which has been to pull an estimated 15 percent of New

● Turn to P.59

... we've seen it, we've felt it'

BANKS GO BUST!

LAST YEAR 48 U.S. banks went bust, and many are expected to fail this year, because of imprudent loans — mainly to property developers and the energy industry.

This is the largest collapse of banks since the Depression of the 1930s. There are now 650 banks on the Government's problem-list.

PROPERTY VALUES

● THE TAXABLE value of New York City property has been tentatively set at \$48.933 billion, an increase of \$3.222 billion over last year. Of about 858,000 properties in the city, assessment changes were made in 500,975.

SINDONA FACES MURDER CHARGE

ITALY want to prosecute Michele Sindona, who was imprisoned by a New York court in 1980 on fraud charges stemming from the collapse of the Franklin National Bank.

Sindona's troubles stem from speculative land deals in the 1970s. Italian police want him to stand trial for the murder in Milan of a lawyer who was serving as bankruptcy trustee for another Sindona-controlled bank in Italy that had collapsed.

Hampshire's usable area off the economic market — a shrinking supply in the face of an expanding demand.

The real vitality in farming and forestry is coming, ironically, from the opposite direction.

New Hampshire, as not enough people know, is the state which depends more heavily than any of the others on site value as the source of revenue for state and local government. We have neither a general sales nor an income tax. The property tax is, by a factor of six, the largest single source of money, and about one third of it comes from the value of site.

So the claims that site value taxation will stimulate an economy are nowhere better supported in practice than in New Hampshire, which also happens to be unique in another way.

We are the fastest growing state in the country, outside of the sunbelt. We are the only state in the east, except for Florida, where a majority of its residents were born elsewhere and came here by choice — voting with their feet.

It is this inflow of people, attracted in part by a tax climate that comes closer than any other state to site value taxation, which is revitalizing the farms and forests.

We mingled with them on that best-attended final "Family Farm and Forest" day of the Exposition. We joshed them, talked chain saws with them, and listened carefully to what they had to say.

And as a newspaper editor who has the same reason other editors have to use and reuse the words, "unemployment, hunger and slums," we kept thinking of something Thomas Jefferson said two centuries ago.

If in any country, he said, there are "uncultivated lands and unemployed poor, it is clear that the laws of property have been so far extended as to violate natural rights".

Jefferson thought that, given access to land, the American people would prosper. They did prosper, too, so long as the vast, stretching public domain held out. They were as nearly a "free people" as any who have ever lived on the earth, and while they had land, liberty was real.

Historian Frederick Jackson Turner explained all that years ago. But he warned that once the frontier was gone, and the free land was used up, America would have to turn to an "adjusted liberty".

Henry George, though, in whose works Turner found so many of his ideas, said that yearning within the human breast to create his own job, to produce his own food and build his own decent shelter, would be nurtured by site value taxation.

Well, the yearning is there. Even now, half a century after the public domain was closed. We've seen it. We've felt it.

Among the thousands at New Hampshire's first-ever Family Farm and Forest Exposition, we were engulfed in hard evidence that he was correct.

● TAX FIGHT: from back page

development.

"When I was the housing commissioner in Mayor Beame's administration, our problem was imminent bankruptcy," he said. "That took precedence over taxing land values."

Yet despite not having a chance to bring common sense tax policies out of the closet and into New York's consciousness while working at City Hall, Starr continues to fight taxes on improvements. And he has no illusions about its implications.

"Look, this concept is not going to solve mankind's problems, or even New York's problems. But the question remains: How in the hell are we going to get the maximum reasonable development of the land in this city?"

"It seems to me that the land tax is the best answer."

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