

INNOCENT (?) BYSTANDER
By Everett W. Gross

You may have heard many times that some certain area of thought is not and cannot be an exact science. That statement comes from people who want you to believe that nothing at all can be known in that area and therefore one opinion is as good as another, and there is no use in thinking at all about it, and so let's have year-around football.

Two examples of non-exact sciences are economics and government and they overlap to a great extent. Two major errors in those fields, though opposite, are often found in the same person. One is that nothing at all can be known. The other is that everything is completely known and completely taken care of by the party label which has the correct musical ring.

The fact of the matter is that in that area, some things can be known and predicted quite well, while other things are not known at all, and maybe cannot be (but don't bet too much). Between those two is a gray area of things that might become known if we could start with what we do know.

I attended a meeting in which taxes were discussed. Along the way, the inevitable question arose as to whether property taxes are too high. My feeling was that the atmosphere was charged while we waited for the answer from the expert. Of course, he gave the stock answer that they are too high, but his explanation was the answer to a different question. His answer could just as well prove that they are too low. It was something like: "You just try adding a couple of rooms to your house and see what happens to your tax bill!!!"

Apparently no one ever alerted him to the fact that he is really proving that the real estate tax is too low before the house addition just as well as that it is too high afterwards. In other words, what he is really arguing is that the difference between improvement and non-improvement is too great in its tax consequences. If he would say it that way, he would see that he has given no argument whatever in support of a city sales tax.

One of the most certain facts in the entire field of economics and government is that any public service adds market and use value to property. But it adds no more value to improved property than it does to the unimproved property adjoining.