

Cool It! Read How!

IT may be the spotlight on "urban problems," intensified by the Presidential campaign, or it may be just the worsening of metropolitan conditions, but whatever the reason, you read increasingly frequent references to land value taxation in various media these days.

One of the most significant is a recent pamphlet by economist C. Lowell Harris on *Property Taxation: Economic Aspects*, published by the Tax Foundation, 50 Rockefeller Plaza, New York 10020, as Government Brief No. 13.

To those familiar with the subject, this publication will offer little that is new. What is important here is the approach Dr. Harriss takes with great clarity and effect.

If we are to analyze the property tax, he suggests, it is best to look at it as two levies—one on land and the other on improvements. He then proceeds to demonstrate that the tax on buildings produces rarely recognized effects which impose hidden burdens on the public. Among the ill effects, he shows that the property tax on structures "creates a clear, and at present in some cities a substantial, bias against the replacement of old buildings by new ones."

Citing the truism that "the amount of tax on land will not affect the quantity in existence," he stresses that "the tax on land can influence the availability and the use made of particular

parcels. Any under assessment of land will actually curtail incentives and pressures for urban renewal."

He concludes: "The higher the tax rate on land the greater will be the pressure on the owner to put land to the 'highest and best use' . . . the greater the tax [on improvements], the smaller the number of investment projects—the smaller the number of dollars put into each . . ."

The interesting thing here is the tone and content of Dr. Harriss' recommendation. "A shift of the proportions of property tax could be beneficial," he says. "The suggestion here is *not* to increase the total revenue from the 'two taxes' but realign the proportions." (author's italics)

And in this connection he makes an all-too-valid observation. "A point of great significance," Dr. Harriss writes, "seems valid today as it was even before Henry George wrote so eloquently. The extravagance of the claims of some advocates of the single tax or site value taxation has hurt a good cause, namely the effort to distinguish between the economic effects of tax on land and those on improvements."

This pamphlet is *must* reading for Georgists—not because it agrees with them, not because it confirms what they already know, but because it is a model of the soundest approach that can win them friends and help them influence people. S.S.

"Henry George never wrote a line which could be tortured into the support of the principles of the totalitarian states, or that gave sanction to the theory that men in their individual and social activities should be regimented and directed by great bureaucracies. . . . The principles of freedom enunciated by Henry George are utterly inconsistent with the Marxian creed which ends in state socialism or in the totalitarian state, in principle identical with it. . . . I have no hesitation in saying that if the world of tomorrow is to be a civilized world, and not a world which has relapsed into barbarism, it can be so only by applying the principles of freedom which Henry George taught."

—Samuel Seabury