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THE
QUEST
FOR GOOD GOVERNMENT

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JEST - NONSENSE

What makes the "good old days" is rich imagina-

tion and poor memory.

+++++

When you turn green with envy, you're ripe for

trouble.

Robert Frost, Pulitzer prizewinning poet, tightened

the nose somewhat when he stated, "Education is -

hanging around until you've caught on."

~~8-8-8-8-8~~

At a businessmen's luncheon, a dull speaker said to

the man next to him, "I can't tell you how much I

appreciate your sticking around to hear the end of

my speech. Most of the others seem to have left."

"Don't mention it," came the reply, "I'm the next

speaker."

#####

It was time to start the test, and the little boy said

to his teacher, "I ain't got no pencil." She correct-

ed him at once. "It's (I don't have a pencil) (You

don't have a pencil) (We don't have any pencils)

(They don't have any pencils) Is that clear?

"No," said the bewildered child, "What happened to

all them pencils?"

Better keep yourself clean and bright, you are the

window through which you must see the world.

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Positive anything is better than negative nothing.

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The views of the contributors are not necessarily

those of the school. Our views will appear on the

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copy sent to us. Editor: J. Wm. Ramsay. We wel-

come your letters, comments, articles, rebuttals.

TAX PROMOTES BEST LAND USE

by Steven Cord, Prof., Indiana University.

Land value taxation has been characterized as a

"tempest in a teapot" in that its economic benefits

are said to be minimal, and as "non-ecological" be-

cause it would induce too-intensive land use -- over-

building and over-crowding. These two objections

contradict each other. True, a heavier tax on land

values would make underuse of land more expensive,

but on the socio-ecological plane, empty lots, tick-

ety buildings and slums hardly make fine city planning.

The heavier tax on land values would encourage opti-

mum use of land as determined by the market -- not

over-intensive use, but optimum use.

By discouraging urban sprawl, land value taxa-

tion would make more land available in the most de-

sirable areas and thereby mitigate too-intensive use.

Moreover, by reducing the land rent relative to the

cost of improvements, it would lessen the need for

intensive use. It would no longer be necessary to

overcrowd simply to obtain an income from the build-

ing consistent with the land value.

Furthermore, the tax would encourage the con-

struction of low-income housing on inexpensive land,

again thwarting the tendency to overcrowd. Finally,

although the "natural zoning" effects of land value

taxation would reduce the necessity for government

intervention, local zoning power could be used to pre-

vent overbuilding and to protect the social interest.

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IT MAY BE A MAN'S WORLD ALL RIGHT,
BUT ACCORDING TO STATISTICS, IT'S
IN THE WOMAN'S NAME.

en, and it's a subsidy that's picked up by all the producers in B.C.

Taylor said the subsidy was necessary to make the Fraser Valley competitive with Alberta, where production costs are apparently lower.

If the Interior producers were granted realistic quotas, he said, there would be no problem of imported Alberta eggs.

Taylor said each area of the province should have more autonomy in determining its own market conditions and needs, rather than have to rely on a province-wide scheme.

The Interior producers will now seek a meeting with Agriculture Minister Cyril Shelford to discuss their complaints.

The five-man board, which operates out of Abbotsford, consists of three representatives from the Fraser Valley and one each from the Interior and Vancouver Island. (Ed. - That tears it right there.)

The board currently assesses penalties of up to 20 cents per dozen for producers who market more than their quota. If penalties are not paid, the producers' licence is lifted by the board.

!!

WIT: Inflation hasn't ruined everything. A dime can still be used as a screwdriver.

WIT: Today is the first day of the rest of your life.

WIT: New executive slogan says "If you haven't developed ulcers, you're not carrying your share of the load."

WIT: What do you call a bull taking a nap? Bull dozer.

The following article is reprinted from Property Tax Newsletter, Ralph Nader's Tax Reform Research Group, Rm. 426, 733 15th Street N.W., Washington, D.C. 20005, Nov., 1971, No. 14.

SPECIAL PROPERTY TAX REFORM ISSUE

Reforms Listed for Federal, State and Local Levels

The Property Tax Is Misunderstood

The property tax is widely misunderstood; and the more that is written about it, the less understanding there seems to be. One hears time and again that the property tax is a "regressive" tax -- that is, that it burdens the poor man more than the wealthy, to a greater degree even than do other taxes. And people who should know better write that recent court decisions have held the property tax to be an illegal and unconstitutional way to pay for public education. (These two misunderstandings may prove very costly for the taxpaying public. Politicians, including those in the current administration, have exploited them in packaging and trying to sell the public very questionable forms of "relief" -- especially the administration's proposal for a Value-added Consumer tax.)

The first of these notions is off the mark, and the second is simply wrong. First, whatever the current impact of the property tax, it does not have to be a regressive tax. Like any other tax, the property tax can be structured and applied to be as progressive or regressive, as people want it to be. The current structure and application are bad, not necessarily the tax itself. In fact, economist M. Mason Gaffney at Resources for the Future, Washington, D.C. has pointed out that the ownership of real property may be more concentrated in this country than is

Interior egg producers are angry over what they consider to be discrimination on the part of the B.C. Egg Marketing Board.

More than half of the 46 Interior producers from Terrace to Creston met here Monday night to launch a campaign aimed at restructuring the board, or at least changing its policy direction.

Their immediate target was a move Friday by the board to juggle production quotas in an attempt to drive Alberta eggs out of the Interior market and substitute Fraser Valley eggs.

"But that was just the final straw," said Dan Taylor of Salmon Arm, president of the Okanagan-Mainland Egg Producers Association.

"The board is too sophisticated and too cumbersome for the job it was set up to do. It's trying to be a water-tight regulatory body when it has no real contro over produce coming into the province."

Taylor said the quotas established when the board was set up in 1967 do not reflect market demand or production capabilities.

Instead he said, they were designed to favor the Fraser Valley industry, where 80 per cent of B.C. eggs are produced.

"Now they've boosted the quota (for Fraser Valley) by 15 per cent, so that they can dump their eggs in areas being served by Alberta eggs. This is subsidized production, about two-to-three cents per doz-

taxable income; which, among other reasons, supports the view that property tax could be a very progressive tax, burdening the poor and middle-income homeowners and renter but lightly, and wealthy land and property owners more heavily.

Secondly, the recent court decisions regarding school financing have not held the property tax to be an illegal and unconstitutional means of paying for public education: these decisions ruled little or nothing about the property tax as such. They held instead that a state cannot set up any system of paying for public education that makes the amount of money available in any particular district, or for any particular child, depend upon local wealth. The property tax currently has this defect because currently it is a local tax; but the courts might just as readily have ruled down a local sales tax, local income, or any other kind of tax that was applied on a local instead of a uniform statewide basis. In other words, the courts have been ruling down local taxes, not property taxes, to the extent they result in unequal ability to provide for public schools. And by the same token, the courts have left the door completely open to a state-wide property tax, or to a system in which the state adequately makes up, through a state property tax or otherwise, for the unequal abilities of school districts to raise revenues through local taxes.

Why The Property Tax Is Currently Unfair

The current property tax is unfair, both in structure and administration, mainly because the states have allowed it to stagnate so long without reform. Studies and reports of property tax inequities, and calls for reforms, date back to the nineteenth cent-

steps in to pick up that part of any property tax bill that exceeds a set percentage of the taxpayer's income. There are variations of these devices, notably ones that lighten the tax burden on conservation lands and small farms, but that "recapture" back taxes that were forgiven should the owner decide to develop. The important point is that the property tax does not have to press so severely upon the poor, the elderly, and the small farmer. Only the present structure of the tax does; citizens and their elected representatives can model the property tax upon any ideal of fairness and social wisdom that they choose.

c. The administration of the property tax, and especially the assessing of property, needs to be completely reviewed and reformed.

Some of the worst inequities of the current property tax result simply from incompetent and corrupt application of existing laws. Throughout the nation -- though of course in varying degrees -- there is under-assessment of large commercial and industrial properties, vacant land, minerals, political favorites, and whole classes of other tax-payers; there are untrained part-time, politically-sensitive local assessors; assessments that have not been revised for decades; obscure and secretive record-keeping systems; complex expensive appeals procedures; non-functioning methods for collecting tax delinquencies; increasing contracting-out of the property tax assessment function to private appraisal firms; and a legion more of infractions and abuses that have made the property tax a major catastrophe in the history of American public administration. Bringing property tax administration into line with the existing law, and driving out the crooks, would not in itself make the property tax a model of equity; but it would go far to relieve the most crushing burdens, even under existing laws.

(A recent study in Chicago disclosed for example, that the U.S. Steel Co. there alone was underpaying about 16.5 million dollars in property taxes, a burden that already-pressed small taxpayers have had to pick up; and this pattern repeats itself across the nation.) And apart from in itself introducing greater equity, complete reform of property tax administration would be essential to the other reforms proposed here.

* * *

A fourth major type of reform which deserves serious attention would be to stop taxing improvements -- buildings and structures -- on land, and to tax only the land itself

This measure, called a "site-value tax" stems from the writings of the late 19th century-American Henry George, who argued that with a tax on land values none others would be needed. Advocates of a site value tax (not all of whom adhere to the "single-tax" notion), claim:

1. It would hasten urban renewal by encouraging property owners to improve their property (the current tax on buildings penalizes the owner who improves his property);
2. Encourage denser, more even development and thus reduce "sprawl";
3. Stabilize land values; and
4. That it would tax the property owner only on what society had given him -- the value of his land -- while leaving to him the fruits of his own labor -- the improvements he makes on the land.

In addition, economists have argued that a tax on land value, unlike a tax on structures, cannot be "passed on" to tenants in their rent, because the sup-

taxpayers from any oppressive property tax burdens. We would not think of imposing the same rate of income tax on a man who makes \$10,000 per year as on a man who earns \$1,000,000, but that is exactly the case with the property tax.

The nineteenth-century idea of "uniformity" -- that is of every property owner paying the same rate of tax, regardless how much property he owned or his ability to pay -- has been imbedded in our property tax laws for so long that many people think the tax just cannot be any other way. It can. Countries such as Australia levy a progressive property tax, with higher rates for people with much property than for those with little. Such a progressive tax is more fair than a flat-rate because it takes the burden off the small homeowner and businessman and places it on the property owner more able to pay. In addition, by taxing huge property holdings heavily, it discourages the concentration of property ownership in a few hands, and promotes the American ideal that as many citizens as possible should enjoy this right.

While taxing the very wealthy relatively lightly, the current flat-rate property tax has been just as inequitable as the lower end of the scale, putting a sometimes crushing burden on the poor, elderly and on the genuinely small farmer, who may own considerable property although their current income is small. A progressive rate structure, along with a larger taxing unit and better assessment, would help ease the burden on these groups; but they, and especially the farmers might still need help. There are a host of ways to provide such relief. One is a tax "deferral" which postpones the tax payment until the owner sells the property. Another is a "circuit-breaker", where the state or Federal government

The Tax Reform Research Group offers here some possible ways to put into practice the basic and essential reforms above. These proposals do not make up a complete reform package. Instead, they merely

The Tax Reform Research Group sees much merit in site-value tax, as an instrument both of tax equity and of desirable patterns of land use. It seems especially fair for the community to take back, in the form of taxes, the value it and it alone bestows on land through the construction of highways, transit lines, sewers, and through the provision of other services. We are concerned, however (as are many site-value advocates), that an unmodified site-value tax might force into dense, even high-rise development areas perhaps better left in another state -- as farmland, open space, or unique urban neighborhood. We are also concerned that noise, crime, pollution, and the cost of providing public services may well increase with density of population. Recognizing the counter-argument, that by fostering maximal-density development in some areas the site-value tax lets low-density uses flourish in others, we feel some form of land-use and development control should attend experiments with the site value tax.

Other countries have used it more heavily. The idea has won several notable adherents, including the tent-ative support of the National Commission on Urban Problems (and the enthusiastic support of Chairman Douglass and three other Commission members who wrote a supplemental statement regarding it.)

ply of land is fixed. There have been limited experiments with a site-value tax in such cities as Pittsburgh, Pa. and Southfield, Michigan; there are even "single-tax" colonies in Alabama, Delaware and New Jersey. Other countries have used it more heavily. The idea has won several notable adherents, including the tentative support of the National Commission on Urban Problems (and the enthusiastic support of Chairman Douglass and three other Commission members who wrote a supplemental statement regarding it.)

ments with the site value tax.

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public revenues by offering legal and illegal tax breaks. It pressures local governments to ignore conservation, land-use planning, and neighborhood preservation, in order to pack in as much highly-valued property as possible. And it prompts them to use zoning and other ploys to keep out low and moderate income housing, for fear of the strain its occupants might put on local services and hence the local tax base. And a local property tax leads directly to incompetent, inequitable and corrupt assessment, because each small local unit which assesses property and levies the tax cannot afford to hire professional, fulltime assessors, nor to provide them with the staff, and equipment to do the job correctly. And these small local units cannot resist the pressure of powerful property owners for lower property tax assessments, nor their threats to move elsewhere if not given special treatment.

There are two steps in property taxation; assessing, or reckoning the value of, each parcel of property; and setting the tax rate to be applied to these assessments. It would be possible to have the states perform the technical role of assessing property, while letting smaller units of government continue to set their own tax rates. Such a reform would help eliminate half the problem -- unfair assessments and incompetent administration. But it would not remedy the inequities in revenue-raising ability, nor the deplorable competition for high-value property, inherent in the local tax, nor would state-level assessment alter the unfair way a flat rate tax takes as large a percentage from the poor as from the wealthy.

b. There should be a progressive rate structure to replace the currently flat property tax rates; and states, with the help of the Federal government, should enact methods to relieve low income

suggest the range of options available to citizens and their elected representatives at the local, state and federal levels. Some of the suggestions may require new legislation, or amendments to state constitutions; others may be possible within existing law. As stated above, state and local governments can take great strides toward tax equity, and gain considerable new revenues, simply by honest assessing and enforcing the property tax laws already on the books.

In addition, citizens can use these suggestions as a checklist for rating the current structure and administration of the property tax in their own state.

It is most important that citizens learn as much as possible about the property tax before undertaking reform. There is a tendency to go from crisis to crisis, reacting to immediate hardships with schemes for relief. The tendency is understandable, but reacting to hardships one-by-one just delays the inevitable. In some cases immediate relief may be necessary, but unless the entire structure and method of administration of the property tax gets a complete overhaul, inequities relieved and burdens removed at one point will soon reappear at another. The next Newsletter will contain a Citizen's Bibliography for Property Tax Investigation and Reform to help provide the background for thorough reform efforts. A few items on that list might be mentioned here as a start.

1. Advisory Commission on Inter-governmental Relations, The Role of the States in Improving the Property Tax, and State and Local Finances and Suggested Legislation -- 1971 ed. available from the Commission at New Executive Office Building, Washington, D.C. 20006.

2. Rybeck, Walter ed., Property Taxation, Housing, & Urban Growth, available from the Urban Institute 2100 M St., N.W., Washington D.C., 20037 (\$2.50)

3. Report of the National Commission on Urban Problems, Building the American City (91st Congress, 1st session House Document #91-34) available at libraries.

4. The reform package drawn up by the Washington Equitable Tax Association, Parkland, Washington, and later enacted in large part by the Washington State Legislature. For information write Mr. C. Melvin McKenney, Washington Equitable Tax Ass'n., Inc., 12146 C St. South, Parkland, Washington 98444.

(Ed. - This article will continue in the May issue of Quest with the proposals put forward to various levels of government for further action.

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YES, OH NO!! - SUEd FOR OVERPRoDUCTION

Prince George, B.C. (CP) - A city egg farmer is

being sued for \$21,360 by the British Columbia Egg

Marketing Board for overproduction.

Savo Kovachich received a B.C. supreme court

writ Thursday, specifying that if he does not pay the

amount the board claims he owes, he will be sued.

Mr. Kovachich, owner of Labor Lake Poultry Farms,

said he will fight the case.

The amount claimed by the board is a charge for

producing more than his quota. A penalty of up to

20 cents a dozen is assessed by the board against

producers who market more than their quota

Mr. Kovachich claims the policies are designed

to suppress production in areas other than the lower

mainland.

-- Calgary Albertan, Jan. 28/72 * * * * *

ury. But although the need for reform has grown steadily more urgent, politics, power, and plain inertia have stood in the way. Gradually, the states have chosen sales, income, and other taxes to meet their own revenue needs, and have abandoned the property tax to local governments. As the states ceased to depend upon the property tax for their own revenues, they became less interested in reform. In addition, powerful groups -- owners of large, commercial and industrial properties, mineral owners, real estate developers, and wealthy residents in low tax "enclaves" -- have had a vested interest in the old, local, inequitable system, and have done their best to preserve it. And some of the worst features of the current property tax, such as its local nature and non-progressive rate structure, have taken root in state laws and constitutions. But they can be changed.

How The Property Tax Should Be Reformed

The Tax Reform Research Group proposes that

the property tax needs reform along three basic lines. Briefly, these are:

a. The property tax needs to be levied on larger

units of government, preferably the state.

The local nature of the current property tax is the

root cause of some of its worst inequities. As the

recent court decisions have noted, a local property

tax favors wealthy localities with a large "tax-base"

-- i.e. property values -- and penalizes those with

less. Thus under a local tax, one community may

tax itself more heavily, but raise less revenues,

than one right next to it. The local property tax en-

courages local governments to compete against one

another to attract high-value property, such as fact-

ories and high rise offices, sometimes sacrificing

Too often we think of Marketing Boards as being something that doesn't really matter to us, but when you realize that their decisions and actions can affect the price of everything that you put on your table it can be quite apparent that they are cutting up our earnings.

And we don't have much to say in the matter because Marketing Boards carry a big stick in their back pockets -- the government. Not only do they operate with government sanction, they also work with government assistance. Sometimes with financial assistance - and that too comes out of your pocket in the form of taxation.

This is shaping up to be one of the most interesting meetings of the season. You are urged to attend and bring a spouse or a friend. Everybody is welcome. Coffee will be available at 15¢ per cup.

A word about our new Format

Since our mailing list encompasses more than those who are members of the school it was decided to split the NEWS-letter into two parts. This part will become more of an inside communication medium and carry detailed information for members only; while the publication "Quest" will contain articles of general interest that can be sent to others outside the school such as politicians, editors, reporters, assessors and any one else that you think would benefit by receiving it. (And anyone that you think the school should spend its limited resources on trying to educate or influence.)

To be successful in both of the above areas we will need more participation from members in general. We need "inside" news for one and articles for the other one.

If you have something of interest write it down and send it in. If you find something in the papers or magazines clip it out and send it in. All material will be given consideration.

We are going to form an editorial board and would appreciate hearing from volunteers.

We would also like to hear from you as to how best increase our mailing list for "Quest" and also how best to finance the expansion.

Some Comments in the Mail on the Edmonton Report prepared by Paul Bolton and his committee.

from Mary Rawson, Vancouver
-- The production of a paper like P. Bolton's is another commendable effort for the Alberta school. By the way, I am told that Peter Pollen, youngish mayor of Victoria, has read my ULI monograph, and is interested in reducing bldg. taxes. I think a copy of Bolton's would be a perfect follow-up. Please send him one if you have enough copies.

from T.L. Brazell, San Francisco
-- I trust the enclosed U.S. dollar will cover the cost of Mr. Bolton's survey.

from Stan Rubenstein, Long Island, N.Y.
-- Received your study about Edmonton, Alberta and quite impressive.

from Bill Truehart, Los Angeles.
-- Time is of the essence. Please rush a copy of the research paper on Edmonton.

-- Thanks very much for sending the booklet so promptly. I wish to use this for research for my doctoral dissertation at Claremont Graduate School.

Following is a list of graduates.

Cont. Phase Three
Felicity Skinner
 Hildred Smith
 Lydia Smith
 Yvonne Tremblay

The Second important meeting will be the

ANNUAL GENERAL MEETING

Place: The New YWCA, 320-5 Ave S. East.

Date: Saturday, May 6th, 1972

Time: 1 p. m.

Matters of importance will be discussed.

Requirement for membership is completion of

the course in Basic Economics (Phase One).

Memberships will be sold at the meeting if you

are qualified for membership.

The Annual Henry George Conference is being held
 in San Francisco from July 5th to the 8th. The
 place is the Miyako Hotel, Japanese Cultural and
 Trade Center, Post & Laguna Streets, San Fran-
 cisco, Calif. 94115. Following are the hotel

| Room | Deluxe | Medium | Japanese |
|--------|---------|--------|----------|
| Single | \$22-24 | | |
| Double | 27-29 | | |
| Twins | 31-32 | | |
| Suites | 65-75 | | |
| King | 37 | | |
| Rooms | \$29 | | |
| | -- | | |
| | 34 | | |
| | 62 | | |

rates.

Phase One
Edward Bons
 Ken Gillespie
 Wendy Guillemaud
 Reimer Weiland
 Boyd Cuthbertson
 Norma Guillemaud
 Melba Salls

Phase Two
George Bitschotsky
 Joan Boyko
 Paul Douglas
 Ernest Greenwood
 Doris Holloway
 Rick Horsley
 Douglas Johns
 Marlene Johnson
 Peter Kingsland
 David MacLennan
 Henry Nielsen
 Tom Norris
 James Robertson
 Sam Sifton
 Delmar Salls
 Donna Setters
 Edna Williams
 Phase Three
Jim Campbell
 Maynard Daldaris
 Dianne Dorda
 Wendy Embree
 Bonnie Gebhardt
 Jeanette Hing
 Edna McCordick
 David Mitchell
 Barney Paterson
 Sheila Paulson
 Len Pearson
 Bernard Boyko
 Charlene County
 Ralph Elmgren
 Hugh Hamilton
 Martin Holloway
 Barbara Jensen
 Carolyn Johns
 Margaret Kingsland
 Douglas Lees
 Erna Neufeld
 Patricia Norminton
 Charlene Norris
 Richard Rondow
 Marianne Sifton
 Pat Setters
 Lillian Wilderman
 Ernest Cuddy
 Catherine Daldaris
 Richard Dorda
 Catherine Freilang
 Joan Hartman
 Karl Hummitzsch
 Susan Mitchell
 Mary Munro
 Will Patterson
 Marian Pearson
 Patricia Perry