

INSIGHTS

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Address communication to Stanley Sapiro, writer or Marion Sapiro, editor, 24655 Royale Ridge, Laguna Niguel, CA 92677
Phone: (949) 495-3805 Fax: (949) 495-3809 E-mail: mesapiro@aol.com

"A truthful idea cannot be destroyed. However you may try to smother it, it will still live; it will be more alive than all the vague, empty, pedantic ideas and words with which people are trying to smother it, and sooner or later the truth will burn through the veil that is covering it and it will shine forth before the whole world. Thus it will be also with Henry George's idea." Leo Tolstoy in an interview reported in the New York Times, July 20, 1908.

PORK BARREL LEGISLATION ESPOUSED BY BOTH PARTIES TO ALLEVIATE DEPRESSION

Both parties have seized upon the present depression as a excuse pass pork barrel legislation. Even our defense spending contains many billions for projects which the Pentagon has not supported.

One of the most outrageous outlays is Federal Aid to Transportation, the whole of which benefits local land holders and local public works contractors.

A typical example is the Federal billions donated for the construction of the roads and the transit system in Los Angeles County, which has been exposed for its corruption and waste. The basic financing of the system depends on Federal funding, state and federal highway funds, and, of course, a general sales tax within the district, plus fare revenues.

A public hearing on this financing was held by the State Subcommittee of the Los Angeles Regional Transportation Committee. One of the witnesses was Rex Lotery, President of the Southern California Chapter, American Institute of Architects, which represents over 1,000 Los Angeles area architects.

He testified in pertinent part:

"These suggested financing methods totally ignore an always untapped source of monies. We refer to the increased value of land due to public improvements which could be returned to the public rather than accruing great profits to private land interests. Why not use these funds to help finance the transportation system?"

"We propose the following three alternatives of this type of financing, which would be applied to the area immediately surrounding a rapid transit station.

- "a. Application of the unearned increment tax wherein part of the large profit, or potential profit, due to the land value increase, be returned to the general public.
- "b. A public purchase of all land within a 1/4 - 1/2 mile radius of the rapid transit station. The purchase would be based at fair market value prior to the cost increase as a result of the intended station location. The appropriate agency could develop plans for these areas, and the necessary utilities and public facilities could be installed. The land could then be sold or leased to private industry for development according to the prescribed plan.
- "c. The urban renewal process could be applied to the land area surrounding the stations in a manner very similar to the above."

The legislators followed Lotery's advice to a small degree in that a small special benefits tax was approved for properties adjacent to the stations, although a much more substantial increase was made in the sales tax.

MORE PORK FOR CORPORATE FARMERS

We previously referred to former Agriculture Secretary Bob Bergland's concerns, as reported in the Des Moines Register, in which he stated :

"If we ended subsidies to land speculators, there is no way they could stay in business in competition with the hard working family farm."

Bergland questioned policies on soil erosion

"... which results because of intensive grain cultivation practices.

"I'm under tremendous pressure to expand grain exports. But at what price? For every ton of corn we send them, we send them two tons of topsoil.."

Bergland said he is frightened by farmers' inattention to conservation methods.

"My wife and I own a section of land in Minnesota, and we are allowed by law to destroy the land. But there is another law - a higher law - ... and that law says we are but tenants of the land for one generation."