

HOW TO COLLECT OUR RENT

How can the people of America take possession of their heritage, of which they have been deprived for so many years? This is the most vital question that could be asked at this time. Shall we be compelled to sacrifice freedom in order to get security, or is it possible to have both,--security and freedom?

The general trend of our present governmental policy seems to be to surrender essential liberty in order to achieve security. This is what the people of Russia and Italy and Germany thought they were doing. Well, they have surrendered their liberty but their security is very limited.

If we, of this country, could and would take possession of our rich inheritance and collect the full rent from those who use it, there would be unlimited opportunity, - there could be liberty. This curse of unemployment that is carrying us rapidly toward revolution would be eliminated. How to do this is our problem.

The first step would be a proper valuation of land distinct from improvements. The site value must be ascertained adequately. Therefore, the first procedure is, to have the land of a given area carefully valued so that there may be no question as to what part of the valuation of an individual's holdings should be charged against the land, and what against the improvements. In general, this will be exceedingly difficult, but there are certain cases where it is easy and they will illustrate the principle. For instance: on the corner of Clark and Madison streets in Chicago stands the Morrison Hotel.

When that was built, many years ago, a bare piece of land 90x100 feet in area, was leased for ninety-nine years at a net rental of \$50,000 a year, the lessee to pay all taxes and charges. In a case like this, there is no difficulty in separating the value of the unimproved land from the value of the improvements. If money were worth, say, four percent, at that time, then the land was valued at \$1,250,000. The wonderful hotel that has been built upon this land is, of course, the property of the Morrison Hotel Company; the land is not property and cannot be owned by anyone.

All separations of values are not so simple. Take a copper mine or an oil well that is in actual operation. Evidently it would be much more difficult to determine how much of the value of this property is due to the natural resources and what part is due to the improvements. Difficult as the problem may be, it is not insoluble. With our form of government, forty-eight states, very largely independent in their action, furnish us with a laboratory for experiments in economics. Some progressive state - like Wisconsin or Minnesota - might be induced to undertake this experiment. Then, when proper valuations have been made, a decrease each year of, say, ten percent of the taxes assessed on the improvements, and a corresponding increase on the land or natural resources, would, in ten years, exempt all improvements from taxation and collect all revenue from the site value of the land, or from the natural resources, whatever they may be. When this is done, the people will be simply collecting the rent for their heritage and no taxes or penalty of any kind would be placed upon the products of industry.

Already, significant experiments in this line have been made. An article in *THE AMERICAN CITY* for August, 1936, gives a rather comprehensive summary of the progress toward this rent collection throughout the world. The extent to which this has already proceeded was a surprise to me. In the various provinces of Canada, in Argentina and Brazil, in Denmark, in New Zealand, in most of the states of Australia, in Spain and in South Africa, very definite and quite extensive experiments have been made, amply sufficient to demonstrate the feasibility of the plan. There have been numerous experiments in the United States. Even in California, 1,500,000 acres of California land, in the most fertile valleys and the richest section of the state, are operated under the Henry George system.

Space will not permit my listing all these areas, but perhaps the most significant one now in operation is that of the District of Sydney, Australia. In that area, since the year 1916 all revenue is raised upon the unimproved value of the land. A recent letter from the City Clerk of Sydney, Mr. Roy Hendy, states: "The effect of the one tax has been to relieve the rating liability of the residential wards considerably at the expense of the main or commercial wards. The rate-payers have, however, cheerfully accepted the position and the prosperity of the city has not been affected thereby." Other places have made a start on this method of segregation of the value of the improvements from that of the land. It must precede any attempt to bring about the collection of the rent due the people for the use of their resources.

Honorable H. Jerry Voorhis, Congressman from California, in an address in the House of Representatives on the fifth of January, 1938, makes this significant statement: "The struggle for existence is essentially a struggle for good land. ** *** ** America has no problem as great as the

problem of her declining soil resources. We have come to understand that forests would soon all be destroyed if the Nation did not assert the rights of future generations to their share of the gifts of God, and conserve the forests on this ground. We are only beginning to realize that the same thing is true of agricultural lands." Mr. Voorhis shows that he is really Georgist when further on in his address he says, speaking of reclaimed lands for farmers: "But their right to the use of such lands must depend, in the future, not on their title to them but on their proper use of them. When they are through with them, the lands should revert to the national domain."

Mr. Voorhis evidently doesn't fully cover the ground in his address, though it is entirely pertinent to the subject he is discussing. Omit the word "good" from the first sentence and the word "soil" from the second, and his statement becomes first-class Henry George philosophy. We may safely count on this vigorous young thinker to support any rational attempt to bring about the substitution of rent for taxes. Let me urge all who are interested in the H.G.S.S.S. to get this address by Mr. Voorhis and give it a thoughtful reading.

When we have a substantial unit of area that has carefully and efficiently separated the land value from the improvements, it will, of course, require an immense amount of education to induce any state to begin to reduce the rates on improvements and increase them, proportionately, on the land. We shall even need to educate the people on the meaning of the word "land" or we shall have farmers antagonizing the movement,- the very people who would be most greatly benefited thereby.

This education should be carried on constantly and intensively by our classes, and I suggest, as a means to avoid confusion, that we immediately repudiate the use of the term "single tax". Mr. George never liked the term, though he did permit its use in his campaign for Mayor of New York. We must present our case as one to do away with all taxes as rapidly as possible. Many of us believe that appropriating the rental value of all natural resources would produce adequate income for all social purposes. Until that became a certainty, it might be well to retain, as is done in some areas now experimenting, the income tax, many license taxes, and, if necessary, for a time even the iniquitous sales tax. The first step, however, must be to recognize the truth that property in natural resources cannot be recognized except as the property of all the people.

We have presented to us not simply the problem of increased prosperity,- we have the problem of salvaging civilization. Now that there is no frontier to be exploited by those who are forced from their present homes by the exploitation of the "rent" crowd, a continuation of this right of exploitation will concentrate the wealth of the world into fewer and fewer hands. Soon, we shall find not sixty families who own the United States, but sixteen families, or six, perhaps. Soon, the only occupation left to the mass of humanity will consist of nothing but the supplying of the needs of the rich. If America is to prove what was hoped for it by Jefferson and Paine, namely, "Time's noblest offspring", where the dream of a humanity free from war, poverty and disease is realized, then our problem is vital, for we have the only solution.

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