

Citizens Dividend

By JEFFERY J. SMITH (San Diego, California)

There is an enormous amount of rent from land sites, seaports, airwaves, etc., more than required for social services. Rent in San Diego County, for instance, is at least \$6.5 billion. Where's this figure from? Land value on the County tax roll is \$35 billion. Yet assessments are below market value since most are out of date. In California, since Proposition 13, properties are revalued only when changing hands. About one-fifth change ownership yearly, so 80% of the County is undervalued. "Experts" estimate the actual market value to be \$50 billion. And only half the County is on the tax roll; the other half is parks and tidal flats (the port itself) and land under forts, schools, churches, etc., worth at least another \$15 billion. The total is a \$65 billion sale price; dividing by 10%, the standard interest percentage, yields the annual rental figure of \$6.5 billion.

The cost of local government in San Diego - county, city and school districts - is about \$2.5 billion yearly. Subtracting this from \$6.5 billion leaves \$4 billion each year. What should we do with this and other surplus rent?

Letting such enormous sums remain in political hands leads to waste and corruption, and our Port Commissioners constantly scheme of ways to squander public revenue. Is it our intention to enrich the government?

We Georgists should make disbursement our goal, giving it attention at least equal to taxation. Proposing a citizens dividend creates an opening for discussing tax abolition and rent collection. People will wonder where the money will come from. We can answer that it, like all dividends, come from property - in this case public property. The public, not the state, creates the value of land.

We can even point to real world examples. Alaska, Alberta and Kuwait collect enough royalty to pay a citizens dividend.

Although there is a land problem in the U.S., there is no perceived land problem. On the other hand, there is a recognized distribution problem in the U.S. Telling where public revenue would come from - land value- and to - the citizens dividend, lets us present a complete picture. To date we've addressed only collecting, as though talking of breathing as only inhalation.

Including disbursement in our explanation of Georgist theory strengthens our argument. In this day of rapid techno-advances, it's not sufficient to claim full employment from a land tax. A citizens dividend lets people shrink the workweek. In this era of environmentalism, a citizens dividend ends the desperation that fuels ecological destruction. In this age of fiscal responsibility, a citizens dividend obviates virtually all social welfare programs, thus shrinking the power of the state. And finally, a citizens dividend lets people live off the land directly, thus reinforcing our identity with Earth, fostering peace.

In our nation's beginning, the Declaration of Independence claimed "the pursuit of happiness" as one of our basic rights. Receiving an equal share of the earth value we're entitled to helps us pursue the things that make us happy.

Let's downplay taxation and highlight sharing Earth by disbursing the Citizens Dividend.

- - - - -

JEFF SMITH is also a proponent of catchy slogans for use in Georgist propagation, such as "Own Production, Not Creation" - "Lower Taxes to the Ground" - "End Taxes, Share Rent" - "Right to Life = Right to Land" - "Tax Land, Not Labor" - and others. Previous surveys have not revealed any clear choice. However, we might revive the idea and seek a slogan for the big year, 1989.