

Would the Working Farmer Lose?

By NOAH D. ALPER

“SO YOU want to tax the farmer?”

That's the question people throw at you when the suggestion is made that the public collection of rent of land and the abolition of taxes on the products of labor should be S.O.P. (Standard Operating Procedure) in a democracy.

Of course the facts of farmer contribution to public revenue via land value taxation (appropriating rent of land) depend on two things. (1.) Where are the land values? (2.) Can the public appropriation of rent of land by taxing methods be shifted in higher prices by the land title holder? The second proposition is so well answered by the economist that I will not go into it here. But let's look at the first—which is important—at the moment.

In order to tax land values we must first locate them. California, a state for which I have some interesting facts as of the year 1937, will make an excellent guinea pig. The state is some 1000 miles long and about 200 miles wide, with 58 counties in all. Three of those counties, San Francisco, Alameda (across the bay from San Francisco) and Los Angeles, had, in 1937, 53 per cent of the total land value of the state. To see how insignificant the area of these three counties really is get a map and color them in red. Then stick it to a wall and back off and take a look.

Consider that in the remaining counties of the state there are numerous areas involving many cities and towns, some of them highly important in the economy of California. Also think of the numerous right-of-ways, oil, mineral, chemical, timber, water-power and other

non-farm resources. From this demonstration can it not be seen how little land value the farmer really holds? And remember his improvement values and his maintained fertility values are not land values.

But another demonstration is interesting. In the City of San Francisco there is a triangular block of 1.54 acres. It is opposite the Emporium Department Store. This 1.54 acres in 1937 had a value of \$2,766,020. Locate Trinity County in northern California. The entire value of the land of that county as reported in Statement 16, issued by the state, was \$2,728,715, less than the value of a 1.54 acre block in San Francisco. Three blocks, one of which has on it the Emporium Department store building, have a total of some 17 acres, with a value of \$13,360,120 in 1937. Shasta County, adjacent to Trinity County in northern California, is given a land value of \$12,166,890. This is about \$1,000,000 less than the value of the 3 blocks of 17 acres in San Francisco.

Is the proposal to tax the value of land a proposal to tax the farmers? The answer is clear. If the farmers don't have the great bulk of land values, and if a tax levied on the value of land (appropriation of rent of land) does not cause prices of commodities to rise and so be shifted, then the farmers appear to be largely in the clear. As the situation is today, where the laws are arranged so that the private holders of land keep land rent in large part and the bulk of revenue for all governments falls on the wages and interest of labor and capital owners, the farmer is indeed a very heavy contributor to the support of government.