

“Back to the Soil for New —and Proper—Taxes”

The House Joint Resolution presented to the Michigan Legislature urging that improvements be assessed at a lower rate than land, was given a welcome boost when Al Stark, a reporter on the Daily Tribune at Royal Oak, Michigan, interviewed S. James Clarkson in January. He is the new Democratic Representative who has been actively connected with the Henry George School in Detroit, and is one of seven Representatives who drew up the resolution.

Stating that land is the real wealth and it is undervalued, Al Starke points out that this legislator would tax land for community gained value. He writes of the new Representative as follows:

“Clarkson, 33-year-old lawyer and tax student who is in his freshman term in the state legislature, calls the idea ‘land rents.’ It is in use in Pennsylvania and California, and in Australia and New Zealand, he says.

‘His target is ‘the unearned increment’ in land values. His argument is that land — not the building on it — escapes its fair share of local taxes although the community, not the owner, often enhances its value.

‘The idea is roughly similar to the famous doctrine of ‘single tax’ proposed by Henry George, 1838-1897. George held that all land is owned by all the people. Individuals might have private use of the land by paying rents to the community. The rents would pay the costs of government, in his doctrine.

“First step is to separate tax assessments on land and on buildings — and land should be restored to its position of ranking importance. In Pittsburgh land value, for tax purposes, is two times that of building value. We are taxed to death on buildings and other improvements, but the landlord is not taxed enough.

“‘This is the best-kept secret I’ve ever seen,’ he said. ‘Everybody in the legislature is talking about taxing wages or capital profits. No one mentions land. The real culprit has been the speculator.’

“The landlord and the speculator escape rightful taxation through the present system of tax assessments: for tax purposes, value of land is low until something is built on it. Then it is doubled and tripled. The assessment is kept low on the raw land although its actual value to the holder-seller may balloon many times.

“There are many examples of the ‘unearned increment.’ Choice of an elementary school site ups the value of near-by residential land — a public-built highway opens up a market for a speculator’s holding — the push of population into the suburbs makes farm land too valuable to till.

“These other taxes they have proposed are pollyanna schemes. They divide by four, subtract three, shake the dice again and come up with \$9.”

Yes, its back to the soil for new — and proper — taxes, urges the Democratic Representative S. James Clarkson.

