

Jones' Itemized
RENT BILL

*A side light on the landlord
and tenant question*

by

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Jones' Itemized Rent Bill

It was a curious experience of Mr. Smith's. I do not know what you would have done under the same circumstances. Perhaps you are sufficiently well informed to have met the emergency with an easy solution. And in that case you would be better informed than one out of a thousand landlords.

Custom is a wonderful thing. It is so easy to become habituated to almost anything. Give an institution or custom the weight of authority, let it run for a length of years, and, though it be grossly immoral or violative of the simplest precepts of justice by which we judge ordinary matters, it will become a fixed habit which even to question is to render oneself an outlaw of society. Slavery was such an institution; kingship largely is. And there are others.

Mr. Smith was a landlord, and purely conventional. So when he received the following letter from one of his tenants, Mr. Jones, he read it with a good deal of mystification.

DEAR MR. SMITH:

For some time, I have paid you sixty dollars a month for the house I occupy. I am now in doubt of what it is I pay for. I know I pay all the taxes which are included in the rent, and am perfectly satisfied to pay you for the use of the lumber, iron, steel, etc., which I am using and which constitute the house. I am also content to pay you for the insurance and repairs, which are included in the rent. But all this is little more than half the rent I pay. I suppose the re-

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mainder is paid for the use of the land on which the house stands. But this is what is bothering me. Land is worth nothing in itself. The same piece of land in a desert would not be worth a song. If located in Wall Street, it would be worth a hundred times more than it is here.

If I could take the land where I might like to take it, say on the banks of the Hudson, where I should like to live this summer, it would be worth much less than where it is. But if I am paying for something why should I not have the power to take it where it would be of the most use to me? That, however, is another matter.

But it adds somewhat to my perplexity. For if I could really carry this piece of land around with me yet must I continue to pay you for it. If I settled now here, now there, as I might prefer, I must continue to pay you now less, now more. So I am in doubt of what it is I am paying for.

As a landlord, you know your business. You know the nature of what you are selling, or renting me by the month. No man goes into business without such knowledge, of course.

I am enclosing \$30 for the use of the house for this month, and will trouble you for a carefully itemized bill for the other half before remitting.

Respectfully,

HARRY JONES

Mr. Smith was plainly bewildered—even as much as Mr. Jones. His first resort was to visit his collecting agent. That individual read the letter and threw it aside contemptuously. "Throw him to hell out," he said. "The man's a

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nut. The rent of the house is sixty dollars, which he agreed to pay. Who ever heard of an itemized rent bill? Isn't he getting what he bargained for? Serve him a dispossess notice at once."

"I do not wish to do anything summarily," said Mr. Smith. "Jones has been a good tenant. For years, he has paid his rent and always promptly. And he's not a crank. Is there not some way to conform to his wishes?"

"There ain't. He couldn't use the house without the land, could he, and he agreed to pay sixty dollars for the house. There are tenants galore, and you don't have to meet the crazy whim of a tenant these days. I can get twenty dollars more for that house tomorrow."

"I do not want you to do anything until you hear from me," said Mr. Smith, as he left the office. Plainly, the agent had no solution.

It occurred to him that there was one who might help him in his difficulty. Smith had been to college; he had studied political economy under a professor named Dubbs. Of course, he didn't remember anything of what he had "learned." There was, however, a vague recollection in his mind of certain phrases learnedly pronounced—fee simple, hereditaments, immovable appurtenances, margin of cultivation, Ricardian law of rent, etc. These had long ceased to mean anything to him, if they ever had.

But he sought out Professor Dubbs in his study, and that learned individual donned his glasses. He knew almost everything that persons of common sense had agreed to forget.

"The man's difficulty is absurd," he said. "Plainly, he lacks a college education. Rent is

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payment for the indestructible qualities of the soil. Payment for land is not merely a legal convenience, without which the whole structure of society would fall, but is part of the essential nature of things. Land in a state of nature becomes property by successive gradations of improvement that fit it for habitation and occupation. Payment for land is due the generation of landowners who labor to sequester it from the destroying inroads of nature, to render it productive for others, and to establish that security of possession without which man would revert again to the condition of the nomad. On this institution, all civilization rests; even to question it is to imperil its stability. It is also (this with a patronizing smile) to leave oneself open to the suspicion of Bolshevik tendencies."

Mr. Smith left Prof. Dubbs much perplexed. The brief lecture delivered with labored pomposity was not conclusive. Mr. Smith was conventional, as we have said, but he had an honest mind and within bounds could reason straight. Besides he didn't like Dubbs' air of superiority. Perhaps there was something to be said on the other side. Perhaps the difficulty was real. The fact that Jones had asked a question which Smith could not answer made further consideration advisable.

Then Smith bethought him of an old friend, a book lover, almost a crank on the investigation of a dozen subjects. This man he had known as a student of affairs. There was little in common between them but a warm friendship that dated from boyhood. He had done this man some favors, so had no hesitation in soliciting a

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favor in return. Beverly James, student, lecturer and expert on a variety of subjects, should be his last resort. Him he sought in his perplexity.

"He wants an itemized bill for half the rent, does he? He agrees to fully recompense you for the use of your timbers, iron, steel, etc., which form the house, as well as the insurance and the taxes. The remaining \$30 must be itemized. He's very nearly correct, for the house is about equal in value to the land, according to the assessments, which are pretty nearly up to par value in that neighborhood.

"Very well. Now, Smith, let us study the map," saying which, Mr. Beverly James spread before him on his reading desk a map which he extracted from one of the pigeonholes.

"Let us study the locality. Of course, there is a good system of sewerage. As he wants an itemized bill, put down \$3 for that. It is just as well to begin at the beginning."

"But," said Mr. Smith, "the city supplies that."

"Yes, and you charge him for it. You may not have thought of this, but it is true. If there were no sewerage you could not get that much rent from him. Is that so?"

"Yes, I suppose so. It looks like it, anyhow."

"Now, here is a school two blocks away. Jones has three children. Put down \$3 for the school."

"But there is a school tax," interposed Mr. Smith.

"There is, but observe that Jones pays this in the first \$30. You don't pay it. He pays it twice. Three dollars for the school and \$3 due for the

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land value due to the presence of the school. Put down \$3 for the pavement and \$3 for the sidewalk. And now \$3 for the fire department. The house needs a fire department, but observe that it is not the house the value of which is increased by the very efficient fire department of this city, but only the land. After collecting the tax from Jones, you now collect the land value due to the presence of the fire department. You see, you really pay no taxes for these things at all.

"But here we come to something that the city does not provide. This little dot on the map is a theater situated just eight blocks away—a very beautiful playhouse. Put down \$3 for that. Jones is a regular attendant, and spends no carfare to convey himself and his family to the theater. The carfare which he saves you collect in rent. If the street railroad company got it, you couldn't."

"Do you really mean that?" queried Smith, wonderingly.

"Nothing surer, old top. But here is something else. 'Southern exposure.'

"Ah, those dear old words familiar in real estate ads. Put down \$1 for southern exposure. Now, there is a public library five blocks away. All the Jones family are great readers. Put down \$1 for the public library. There is a church opposite the house. Jones doesn't go to church much, but a church improves the neighborhood and adds something to residential desirability. Put down \$1 for the church.

"The street is a quiet one. I'm afraid you'll have to put down \$1 for quiet, spelt large. Ah,

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but here is another spot on the map. Prospect Park only a block away! There, the children go in the afternoon. Well, we'll have to put down \$2 for the park.

"Then, there is a delightful breeze in summer that comes in at the windows. Put down \$2 for summer breezes. Then, there is the absence of bad smells. You see you charge Jones for things absent as well as things present. Lump these at \$3.

"Then, there is a little item which I had almost overlooked. The land on which the house stands is near enough to the park to hear the twitterings of the birds in the trees. It is very pleasant to wake in the morning with songs of birds sounding musically in the ears. So put down \$1 for twitterings of birds in trees."

"But this is absurd," said Smith testily.

"Not at all absurd. Certainly it is what you are charging Jones for. I have been careful to calculate as I went along in order to get the \$30. I know I have not figured everything and something might have to be taken away from some items and added to others. Perhaps I haven't mentioned a lot of things for which you are charging Jones—a fine drugstore two blocks away, a number of excellent stores, and easy access to the downtown shopping district.

"But here is your bill. Look it over. It's all land value, from sewerage to the songs of birds. You are charging Jones for all of these things. That you can't charge him for moonlight and starlight is because these are more widely distributed, and Jones sleeps at night anyway. Don't you see, old man, you are getting money

under false pretenses. No wonder Jones woke up and wants an accounting."

"What is the pretense?" asked Smith, now somewhat vexed at his friend.

"Why, seriously, the great pretense is that you have a right to charge Jones for what society does and even what God does. If men build theaters and public libraries, you collect from Jones. If God grows trees and causes birds to sing in the branches, you mulct Jones. You even tax Jones for a house of worship across the street, though Jones is a disciple of Thomas Paine. But examine the bill. Here it is."

And Smith took up the following bill:

To HARRY JONES, Dr.

FOR RENT OR LAND VALUE AS ITEMIZED:

Sewerage.....	\$3.00
School.....	3.00
Fire department.....	3.00
Sidewalks.....	3.00
Street pavement.....	3.00
Theater (proximity).....	3.00
Southern exposure.....	1.00
Public library (proximity).....	1.00
Church (proximity).....	1.00
Quiet.....	1.00
Prospect Park (proximity).....	2.00
Summer breezes.....	2.00
Absence of bad smells (olfactory advantages).....	3.00
Twittering of birds.....	1.00
	\$30.00

There is but one defect with these figures. They do not measure the present rent for a house so situated by one half. We started with a certain rental, but as the list of location advantages grew we saw the land value constantly rising and Jones' rent increasing; it was then too much trouble to change it, since it could not be altered without altering the other figures. The reader, therefore, will make his own calculation based upon present-day rentals for a house having these location advantages. As a matter of fact, a single apartment in a flat so favored would command double the rental paid by Jones.

Mr. Smith left his friend, plainly bewildered. It was clear that in the sum agreed to by Jones, the cheque for which rested in his pocket, were included all the taxes paid to the city. Yet it was clear, too, that he was charging twice over for these items. For in the itemized bill drawn up by his ingenious friend these charges stared him in the face.

A second visit to his collecting agent called forth a smile from that person which developed into a loud guffaw when Smith laid the itemized bill upon his desk.

"Well, what do you say to it?" asked Smith.

"Just this," said his collecting agent. "It's all so. These are all items properly charged to

Jones. Whether you have a right to payment for these things, we won't argue. In theory, the bill is all right. But, my dear Smith, we live in a practical world. You need the money. That's the answer."

And Smith left, wondering if that really was the answer.

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A short statement of the single tax argument

Land is the free gift of nature, like air, like sunshine. Men ought not to be compelled to pay other men for its use. The right to use is, if you please, a natural right, because arising out of the nature of man, or if you do not like the term, an equal right, equal in that it should be shared alike. This is no new discovery, for it is lamely and imperfectly recognized by primitive man (in the rude forms of early land communism) and lamely and imperfectly by all civilized communities (in laws of "eminent domain" and similar powers exercised by the state over land). All points of view include more or less dimly this conception of the peculiar nature of land as the inheritance of the human race, and not a proper subject for barter and sale.

The principle having been stated, we come now to the method, the single tax, the taking of the annual rent of land—what it is worth each year for use—by governmental agency, and the payment out of this fund for those functions which are supported and carried on in common—maintenance of highways, police and fire protection, public lighting, schools, etc. Now if the value of land were like other values this would not be a good method for the end in view. That is, if a man could take a plot of land as he takes a piece of wood, and, fashioning it for use as a commodity, give it a value by his labor, there would be no special reason for taxing it at a higher rate than other things, or singling it out

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from other taxable objects. But land, without the effort of the individual, grows in value with the community's growth, and by what the community does in the way of public improvements. This value of land is a value of community advantage, and the price asked for a piece of land by the owner is the price of community advantage. This advantage may be an excess of production over other and poorer land determined by natural fertility (farm land) or nearness to market or more populous avenues for shopping, or proximity to financial mart, shipping or railroad point (business centers), or because of superior fashionable attractiveness (residential centers). But all these advantages are social, community made, not a product of labor, and, in the price asked for the sale or use of land, a manifestation of community-made value. In a sense, the value of everything may be ascribed to the presence of a community, with an important difference. Land differs in this, that neither in itself nor in its value is it the product of labor, for labor cannot produce more land in answer to demand, but can produce more houses and food and clothing, whence it arises that these things cost less where population is great or increasing, and land is the only thing that costs more.

To tax this land at its true value is to equalize all people-made advantages (which in their manifestations as value attach only to land), and thus secure to every man that equal right to land which has been contended for at the outset of this definition.—*Joseph Dana Miller.*

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