



# 'Mother of Monopoly'

by Raymond Moley

"LAND monopoly is by far the greatest of all monopolies—it is perpetual monopoly, and it is the mother of all forms of monopoly. Unearned increments in land are not the only form of unearned or undeserved profit, but they are the principal form . . . not merely not beneficial, but . . . detrimental to the general public."

These are not the words of Henry George, although they echo his belief. They appeared many years after Henry George wrote his books. They apply to the emergent national problems of today with even greater force than when Winston Churchill wrote them decades ago. The same idea was presented by Lloyd George. The same thing has been said within the past two months by many leaders in England.

The unearned profits of land speculators have a vital relationship to the issues in this Presidential campaign—housing, urban renewal, subsidies for developers of real estate, highway construction, and even the subsidies to farmers.

This affects every taxpayer in the country, every city and suburb, every person who wants a home of his own, every child who should grow up in a decent community, and every senior citizen who seeks a spot to pass his sunset years. And the gigantic Federal spending proposed in this campaign would aggravate and expand the evil of unearned profits.

## IGNORED BY PARTIES

But the platforms of both parties ignore this essential truth. Congress has ignored it or does not realize it. And the vast projects now advocated to control urban decay and aid the needy merely accelerate this exploitation of the many for the few.

It is time to speak out on this subject. And fortunately there has appeared a major article in *House & Home* which does just that. It is richly documented with facts about our cities and suburbs and amply illustrated. Two notable land economists worked on it, and it was brilliantly edited and rewritten by the editor of the magazine, P.I. Prentice.

The basic evil involved is that the tax and assessment laws and practices regard land as an unimportant source

of revenue and put the burden on those who improve the land.

The result is that there is a vast windfall for landowners and speculators who toil not and neither do they spin. As the community grows and there is demand for new housing and industries, they reap great profits. Those who apply risk capital, brains, and labor are penalized.

The Federal government, with fancy words about eradicating slums and helping the poor, pours billions into the cities and suburbs for building and rebuilding. Speculators reap the gain. The nation's taxpayers pay the costs. The very "liberals" who promote this are creating a new class of the very rich which has done nothing to promote the nation's growth.

## UGLY SPRAWL

One example will show what is happening. In New York on Fifth Avenue there are two large pieces of land enjoying exactly the same advantages in accessibility. On one, the owner erected a \$65 million office building. On the other are some small structures. Before the improvement, the land was assessed the same. Afterward, the tax on the land under the big building was raised 300 per cent. The tax on the other, although its value was greatly increased by the improvement across the street, remained the same as before. The remedy is to equalize land taxation and force squatters to improve or get out or pay higher taxes, and also to lower the taxes on improvements.

As far as the cities and suburbs are concerned, inequitable taxation results in an ugly and wasteful sprawl. This is clearly evident to anyone who flies into almost any American city. It is also shown in the fine series of air photographs in the *House & Home* article. There are revealed in the cities spots of fine developments surrounded by slums; in the environs, groups of homes surrounded by great areas of weeds, stones, and dirt.

The government spends billions to help the poor and beautify cities. Its methods enrich the rich and create a crazy patchwork. Equitable taxation would drive out speculation, lift the burden on the taxpayer, and create more beautiful cities and suburbs.

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