

Rent in a Georgist Society

By **GEORGE MORTON** (Stuttgart, Germany)

As Steven Cord states (in GJ 81), it is not possible to say whether Georgist fiscal policy will result in increased or reduced land rent. I strongly suspect, however, that the latter will occur, since the ending of the present rat-race will lead to a psychological change which will prompt most people to choose greatly increased leisure time rather than take higher wages or salaries. Rent levels will also be affected by how land-intensive or otherwise our hobbies and recreational activities are in a Georgist society.

Cord's statement, "if current taxes on production are abolished, then land rent will increase as a percentage of total production," strikes me as being the non-sequitur which prompted me to write several years ago (in GJ 63).^{*} Georgists often argue that since all taxation is at the expense of rent, revenue under Georgist fiscal policy will ipso facto be higher than present land rent. What the argument neglects, however, is the fact taxation revenue is pumped back into the economy by government spending, thus raising rent either directly through land purchase and leasing, or indirectly.

It seems to me that taxation and government spending basically shifts rent around, often geographically, benefitting certain interest groups and areas at the expense of others. Be that as it may, Cord is right in his conclusion that "all this in no way affects the moral and economic requirement that the government collect all the land rent in lieu of as much taxation on production as possible."

^{*}In GJ 63, Spring 1989, Mr. Morton advanced arguments similar to the above and in particular questioned the statement that "all taxation is at the expense of rent."

"If Henry George had become President of the U.S., and not assassinated, we wouldn't have most of the social problems of today. He had the solution."

- HGI student Wayne Edward Cole