

the Henry George News

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"Stronger Than Ever Before"

PERRY PRENTICE

YOU have done something that is very important to the future of millions of people. You have kept the faith alive when too many of the powerful and learned mocked and derided you. You have held fast against the vast vested interest in land speculation. You have raised a standard to which the wise and honest can repair. You have saved one of the great social philosophers of all time from being forgotten. For this the world will have cause to be grateful to you. Each passing week brings new evidence that the time is drawing near for the great ideas you have helped keep alive through so many years of discouragement.

People are beginning to realize the importance of taxing improvements less and taxing land more. Says Professor Colin Clark of Oxford, who is fast replacing the late Lord Keynes: "Today any good economist can demonstrate that the land tax is just about the only tax that does not discourage enterprise."

But comments from men in high places are perhaps less significant than the growing consensus among students of the land problem. Last winter Dean Gillies, director of the Real Estate Research program at the University of California in Los Angeles, said to me: "I think almost everybody out here is beginning to agree that it is important to tax land much more heavily."

Fortune Magazine goes much further. It spells out the "evident inequity in a tax system that puts most of the tax burden on improvements" and goes on to report that "in most areas there is growing local demand for higher taxes on land with an accompanying reduction in taxes on improvements."

It's always easier to see the moat in somebody else's eye than to admit the beam in our own. Pretty much everybody is beginning to understand that without sweeping land reform there is not much hope for most of Latin America. Pretty much everybody sees that the abuse of private property in land is playing right into the communists' hands in many lands whose rickety governments we are spending billions of foreign-aid dollars to keep in power. Pretty much everybody realizes that Castro could never have taken over Cuba if wealth had not been so shamefully maldistributed, with the landowners undeservedly rich and the peasants intolerably poor.

It is one of the tragedies of history that the Russian revolution swerved

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aside to follow the communist lead of Marx and Lenin instead of its greatest humanitarian, Count Leo Tolstoy, who was a disciple of Henry George, and said: "Solving the land question means the solving of all social questions... Possession of land by people who do not use it is immoral—just like the possession of slaves."

The Chinese revolution likewise followed Marx and Lenin and Chou en Lai down the road to ruin instead of following the path laid out by the philosopher, President Sun Yat-Sen, another disciple of Henry George, who said: "The only means of supporting the government is an infinitely just, reasonable and equitably distributed (land) tax, and on it we will found our new system. The centuries of heavy and irregular taxation for the benefit of the Manchus have shown China the injustice of any other system of taxation."

It's fine that almost everybody here is beginning to see that everybody else needs land reform, but it is much more encouraging that so many see that land reform must begin at home, with the tax reform whose economic impact and moral rightness Henry George so nobly and eloquently dramatized.

It is nonsense to say that Henry George is out of date. The fact is that he was so far ahead of his time that the full importance of what he preached is just beginning to be felt. The moral case for full land value taxation in George's lifetime rested on the fact that the market price of unimproved land derived, not from what any past or present owner had done to make it valuable, but from what other people had done by building a community around it.

In these days of many-times-more-costly schools, libraries, streets, water supplies, sewer lines and sewage plants, the market price of unimproved land derives largely from an enormous ex-

This is a summary of the inspiring address by Perry Prentice at the close of the recent Henry George conference in New York. Mr. Prentice is vice president of Time, Inc. and associated with Fortune Magazine and other Luce publications. He is a director of the Robert Schalkenbach Foundation, and a cheerful counselor in the fields in which he is an expert.

penditure of other people's tax dollars. For example, the New York Regional Plan Association states the taxpayers will have to spend an average of \$7,400 per added family to provide for the city's population growth from now to 1975. That's another way of saying that if a lot sells for \$8,000, all but \$600 will reflect what other taxpayers have spent to make it accessible and usable. So the moral case for taxing away the owner's unearned increment in the price of land is far, far stronger now than it was during Henry George's life.

The economic case for land value taxation is also stronger than ever before. In Henry George's time our cities had hardly begun to grow, so urban and suburban land prices had hardly begun to climb. In nine years since 1955 land prices have risen more than in all the nine generations of American life on which he could look back.

Inside our cities this tremendous price rise has made urban renewal impossible without big subsidies. Outside the cities high land costs have become the No. one cause of suburban sprawl as home builders leapfrogged far out into the countryside to find land they could afford to build on. And now high land costs threaten to price good new single family houses out of the market.

So Henry George is anything but out of date. Thanks to you who have been loyal through many years of public neglect, his message is alive today to meet our more and more urgent need for them.