

RENT

In common speech rent means a payment made for the use of a house or other buildings. Its proper meaning is a payment made for the use of land, not buildings. When two or more people want the same piece of land it acquires a value and somebody may be willing to pay the owner for the use of it. This payment is rent. Payment for the use of a house or other product of labor is really interest, not rent.

The value of land is caused by the presence and activities of the whole community. Every child, every fresh arrival, tends to increase this value, because they draw at once on the products of land for food, clothing, and shelter, and so increase the rent which the owner may demand. The rent of land is the only thing in the community that is made by everybody, man, woman, and child, old and young.

No person or group of persons can say how much they have contributed toward making this value, and so no person can claim a private share in it. It must be taken by the whole community for public purposes. Rent is the natural revenue of the country because it is public property.

At the present time, and for generations past, this public-made rent has gone into private pockets of land monopolists, through government failure to collect it to defray public needs. As a result of this, governments have to take the people's private wealth, in the shape of taxes, to run the country. And so we see some people with much wealth which they have not earned, while others, who have been deprived of their earnings by unjust taxes remain poor.

Rent can never be done away with. It exists in every settled society, even where it is not paid by one person to another or to the government. This is due to a natural difference in the utility of sites. In big cities, ground rent is very high, because land is very valuable. In the suburbs it is less because the demand for land is less, and in the far outback rent may cease to exist, as there is no population and little or no demand for land. Calculations have shown that the ground rent of a country is sufficient to meet all normal revenue needs of the country after abolishing all forms of taxation.

F. Thomson

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