

More on Economic Rent

by JOHN C. WEAVER

PUBLICATION of another article attempting an estimate of economic rent (Walter F. Swanton, October HGN), moves me to set forth as I did previously (February, 1958), the simple theory taught by Henry George that increase of population will always provide enough rent for whatever government services the people think necessary.

While we do not intend to abolish land-titles, government could fix taxes *as if* land were common property, and as if it were leasing space by the bargaining of the free market. If land-owners think the tax, or rent, too high, they will move to another jurisdiction.

There is little dispute that economic rent as now appraised would be sufficient for all local government budgets—contrary to the ambiguous shibboleth that “property” or “real estate” is overburdened. But if demonstrations like those in Australia show that great amounts of rent are unneeded for local purposes, with an actual in-

crease in land prices due to the building boom, state and federal taxes could be gradually reduced, and each successive change would make residence in the state or nation more attractive, with corresponding rise in land value. Even in the marginal parts of the country, and even with wasteful war expenditures, most people would still pay whatever tax-rent it cost to stay in the U. S. A. instead of moving under another flag.

But the varying rents in different communities would focus attention on the simple calculation of what it is worth to live in any particular town, with its “package” of police, fire and health protection, schools, parks, streets, civic spirit, etc. If each municipality were limited to what people are willing to pay for space, without moving elsewhere, there would be an automatic check on waste, and no question would remain as to whether citizens want all the “services” which they sometimes think that others pay for.

