

# Little Man Says: Tax Him, Not Me!

by HARRY GUNNISON BROWN

DEFENDERS of free private enterprise should be the first to support land value taxation, for this reform is consistent with the principles of incentive to which they give lip service. It is also more advantageous to labor than any other tax policy can possibly be.

A man who has no income from property but who supports himself and his family by what he earns at his job, may feel that the ideal tax would be one bearing heavily on the very rich and very lightly, or not at all, on him. The truth is that even if he owns his home instead of renting it, land value taxation would prove more beneficial to him than the sharply graduated income tax from which he might hope to be exempt.

Why? It would break the log jam of speculative land holding, and by making building sites cheaper it would lower the cost of rental housing as well as the cost of buying or building a home; and it would no longer reward slum owners for allowing buildings to deteriorate. Industrialists would be encouraged to build, expand and modernize plants if they were not penalized by higher taxes for doing so. Thus labor would be better equipped and could produce more and earn more. A progressive income tax with substantial exemptions cannot, in addition to lowering the cost of living, minimize slums or increase the worker's wages, but LVT can initiate all four of these advantages.

Our present local tax system breeds slums for it says to the slum owner, who may really want to make his dwellings more fit to live in, "don't do it, because if you do our assessment and taxing officials will punish you with higher taxes. But if you let

your properties become still more slum-like and less fit to live in, they will reduce your taxes." Here the federal government in effect bribes cities and citizens to continue a bad policy by extracting taxes to pay for clearing slums recurrently.

Governor Romney of Michigan, speaking of "Shrinking States Rights," said, "federal programs for local governments, that bypass state governments and make local governments increasingly dependent on federal funds and subservient to federal officials . . . weaken and destroy self government, individual responsibility and self reliance. They are financed by what has become excessive federal taxation rebated in part to state and local governments as subsidies."

The cost of private enterprise housing is obviously greater because of the scarcity of available land resulting from the speculative holding out of use in cities of nearly thirteen million vacant lots. Since housing becomes more expensive because of these speculative holdings, efforts are made to subsidize, and in a large degree, socialize it, instead of relying on free private enterprise. Without subsidization a high price on land decreases the amount purchased for housing. Under private enterprise, however, people are not forced to buy — they may economize by using less space, but the element of choice remains.

When government subsidizes housing the purchase of land is no longer on a voluntary basis. Instead individuals are compelled to pay, in extra taxation, the vast sums needed to purchase land. So the citizens as taxpayers are now compelled to buy land, however excessive the speculative prices may have become. his tax-compulsion sys-

tem must certainly stiffen the resistance of land speculators against reducing their prices. In fact they will most likely advance them to a still higher level should Congress provide, as the President has suggested, federal grants and loans to local governments and even to private developers, so that future expansion "won't be carried out . . . in a sprawling, space consuming, unplanned and uneconomic way."

If neither the Congress nor the state and local governments will change in these respects, and to date they give little evidence of it, the domination of our local governments by the federal government, and the declining influence of state governments, are precisely what we shall have.

In Australasia, where the local tax system in some states and parts of states gives full incentive for building and takes away the "incentive" to retard building (through holding land speculatively out of use), there is far more building than in those states which follow the system almost universally in effect here. Why has the statistical data on this been ignored? And why have the leaders of our political opposition consistently, and it seems persistently, failed to attack administration policy where it has been (1) logically most vulnerable, (2) morally wrong, (3) injurious to those who have only their labor, and (4) inconsistent with the principles of incentive most favorable to private enterprise?

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## "Land Tenure and Taxation" High School Essay Contest

Noah D. Alper, the man who, according to the St. Louis Globe-Democrat, is "conducting a personal war against poverty," is president of the Public Revenue Education Council. In its annual report (available on request from Mr. Alper, 705 Olive Street, St. Louis, Mo. 63101), we read of a high school contest at Corning Painted Post West High School, of Painted Post, New York. The PREC is eager and prompt in sending its material to students and teachers in schools and colleges, and a sizeable volume is constantly in circulation. In the above case, students of the history class were writing on "Land Tenure and Taxation in World History," and wanted three of the PREC tax booklets. On learning this the Council offered prizes for the three best essays and Cheryl Scudder won the top prize of \$25. Miss V. G. Peterson, Executive Secretary of the Robert Schalkenbach Foundation, New York, and Dr. and Mrs. Harry G. Brown of Meadville, Penn-

sylvania were the judges and made the presentation before the high school class.

The winning essay is decidedly above the average for high school contests, and if all 37 students writing on this subject wrote as convincingly of the Henry George philosophy, it is hard to see how they could ever quite forget the principle of LVT and its effectiveness. Miss Scudder was adept in converting thoughts from a long list of sources into a cohesive and understandable sequence. She does not merely copy well-documented quotations, but connects them in a way that makes them clear and convincing. We hope this is the beginning of a long heartfelt interest in Henry George by Cheryl, who concludes that "of all the solutions to the land problem, the best and most sound still appears to be the land value taxation system," and if it "were to become the national method of taxation, our country would be rid of many problems which it now faces."