

How to Spend the Surplus

by LAURENCE KOBAK

"BALDERDASH!" That's what I say to students of George who express fears that the single tax would fail to furnish sufficient revenue for the expenses of government. "One of our biggest problems," I tell them, "will be to dispose of the enormous surplus in revenue which would be generated by the single tax."

Most of the expense items in federal and local budgets are a result of our maladjusted economic system. These outlays would disappear once the influence of the single tax had time to exert itself. Over half of our taxes now go to alleviate effects of poverty. Expenditures such as those for welfare, large police forces and most of the federal regulatory functions, would become unnecessary.

Once the release of human creative energy brought about by George's simple reform begins to burst forth, the income raised from the rent of land would far exceed our expectations. That means governments would be faced with an ever-growing surplus. What should be done with this surplus? Certainly government can think of ways of spending money for schools, museums, bridges, roads and other modern-day pyramids ad nauseam. I'd like to think that the state's largess would soon reach the point of satiation for most citizens. Sensing this, some political leader might very well come forward with a variation of the following proposal: let the surplus be divided equally without regard to the income of the recipient. The surplus, or social dividend, might at first amount to a thousand dollars per adult. If he earned nothing, he would receive a thousand dollars. If his earnings were \$50,000 a year, he would still receive a thousand dollars.

The objections now raised to welfare disbursements could not be applied to the social dividend. Welfare payments are funded by taxes on labor and capital. Naturally, producers protest at what amounts to theft of their property. Such demurrals could not be raised to the social dividend for it would come from surplus remaining from the collection of economic rent—that which was left after the necessary expenses of government. No person's labor or capital would be taxed for the social dividend.

I believe that most people would welcome this approach. Other methods of dealing with the surplus would be far less satisfactory. For example if the government builds more art museums, it favors museum goers at the expense of all other citizens. Wouldn't it be better to give everyone his social dividend and the opportunity to spend his money on the goods and services he deems most important?

Sound good? Well, a social dividend of a thousand dollars is just the beginning. The single tax economy would grow at a much faster rate than our present crippled system can achieve. Thus the economic rent of land would increase and so would the social dividend. I think it's reasonable to expect that the dividend would not be long in reaching a level of as much as \$5,000 a year.

Not many people would be satisfied with an income of \$5,000 a year. Most would choose to work in order to enjoy a higher standard of living. But for some people leisure is more important than money. No stigma would be attached to accepting the dividend for it would be distributed to all without respect to income from other sources.

Michigan's Georgists sorrowfully report the death of Henry Rogers of Detroit, an architect, president at 38 of the Urban Design Development (and planning) group, which he founded in 1966. He was active in other local and national groups and in the last year he became an enthusiastic advocate of Henry George's philosophy and was writing his thesis for a master's degree on this subject at the time of his death. A copy of Progress and Poverty was placed at his side in the casket by his friends who requested that he be dressed in blue denim working clothes and a construction worker's hard hat.

"Hank" Rogers had organized classes in economics in his organization, had bought and distributed 100 books relating to Henry George, and had shown the film "Better Cities" to black groups and planning organizations. He had been instrumental in finding employment in the building trades for many qualified blacks. His understanding and presentation of the LVT principles, when he addressed civic meetings, were so exceptional that it was hoped he might become Detroit's assessor.

•

Detroit's Committee for Better Cities issues a newsletter edited by Luella Baron. The film "Better Cities" has been shown 50 times by this group, and many future bookings are on tap.

•

The Royal Oak extension under leadership of its director, Robert D. Benton, has just begun a correspondence course in economics. Four faculty members will read papers and lead pupils through the course. This may prove to be more practical than weekly meetings, although one basic economics class is being held in Royal Oak at present.

•

Stanley Rubenstein, director of the HGS Long Island extension, is teaching the basic economics course to 45 students in two senior classes at the Jericho High School. He is there as a guest lecturer and takes over the class while the regular instructor sits in the back of the room.

•

Periodically the HGS extension sent its newsletters to department heads and teachers of economics in Long Island high schools. In addition speakers have been sent to economics classes on request, following notification that they were available. At the Jericho school when this offer was made to the department head and the teacher, they requested and received permission from the administrators to invite the guest lecturer.

Mr. Rubenstein, a high school teacher presently on sabbatical leave, is free to do some writing and to take on such assignments as the above. Considering the active program he has set up for his Long Island extension it is certain that he will not loll in idleness.