

DIRECTORS' PERSPECTIVES

WHERE THE RSF BOARD EXPLORES CURRENT APPLICATIONS AND IMPLICATIONS OF HENRY GEORGE'S TEACHINGS.

BETTER DAYS

BY: AMANDA L. LARSON, THM

We are born on this earth, live our lives the best way we know how, and when we leave this world our children inherit what we leave behind. But what is it that we are leaving them? Our world is metaphorically akin to a very large ship floating on a sea of bills that future generations will have to pay. Along with a severe environmental crisis, we are leaving them with financial/job insecurity, soaring health care costs, and wildly unfair taxation. And now, we bequeath them the aftereffects of COVID-19, the full depth and breadth of whose medical, social, and economic consequences we cannot yet see. Turning a ship around, changing its course, is challenging.

Often we keep going in the same direction because "that's the way it is" or "that's the way it was done." However, we can no longer afford to keep doing things by habit, or by rote, or hope that someone else will change the system.

The pandemic has changed everything. No more putting off until tomorrow a change of course. Tomorrow has, at last, become today, and now it is time to find some answers and apply them. All of us must overcome our differences and work together to solve our problems. In the 1960's there was a movement called the Youthquake. It was a time when some of the old ways of living were seen as increasingly outmoded, and society, corporations and sometimes even government looked to young people for inspiration.

Much of this was due to the Baby Boomers' coming of age, challenging the status quo, and wanting to break free from what many of them perceived (**cont. page 8**)



Calling All Authors

- Who:** Anyone who can write critically about today's world in a way that reflects the ideas of Henry George.
- What:** Blog posts for our website and this newsletter:
- When:** Anytime and all the time - we're always looking for authors.
- Where:** Check out "Blog Author Information" on our website for full details.

BETTER DAYS (CONT.)

as the stifling conformity of post-World War II America. Originally this term, Youthquake, was used for a creative movement, one that had to do with art and fashion rather than politics or finance.

My call now, in the midst of a worldwide emergency, is for another Youthquake; one that, instead of artistic pursuits, has everything to do with policy, economics, access to healthcare and, ultimately, societal and economic fairness.

RSF's mission is to encourage financial justice for all, and this is especially critical for the young people of our country. I'm a Boomer, and being part of that group meant that coming of age also came with the assurance that, rich or not-so-rich, a person could do or be anything. I daresay that it never occurred to most of us that society could change so quickly, that the basic cost of living could become so onerous that even two incomes wouldn't necessarily be enough to keep one out of major debt, or that a worldwide health emergency could alter our world so profoundly in the space of just a few weeks.

The raw, ugly truth is that since the mid 20th century we have seen financial inequality rise in the United States to astonishing levels, equaling the disparity we saw in 1920s America. COVID-19 and the approaching economic tsunami mean that it will not be getting better in the near term. Before 2020, much of this had to do with unfair taxation. Now an international medical crisis has been added to the mix, and the need to find answers becomes even more critical.

It's time to press the reset button and be the change that results in steps toward a kinder, better world, one that sees the extinction of the enormous personal burden that comes from lopsided taxation and financial inequality. Let's have another Youthquake, but this time, I call upon all ages to work side by side to make the world a more equitable place.

Henry George wrote the following in his 1883 book Social Problems, and his words ring just as true now: Let no man imagine that he has no influence. Whoever he may be, and wherever he may be placed, the man who thinks becomes a light and a power.

Young and old, generation to generation: now is the time to make a difference. Together, we really do have the power to change the world.

DEBT CANCELLATION (CONT.)

A tax on land lowers the sale value of land, but it does not lower the rental value of land. Therefore, it is somewhat easier to consider possibilities in terms of taxes relating to the rental value of land. Suppose, then, that we decided to make the greatest possible use of a tax on land for raising the revenue needed to prevent inflation in the aftermath of the COVID-19 related spending; we decided to levy a tax that collected 100% of the rental value of land. What would happen?

First, the selling price of unimproved land would go to approximately zero because having title to land would mean that one would be obliged to pay in tax as much as it was worth to use the land. Next, anyone with a mortgage on land could be expected to say: "If I have to pay all of the rent to the government and pay my mortgage too, I will be paying more than the land is worth. How can that be right?"

The solution to this puzzle is that if the government wants to collect the rental value of land for public purposes, it should expect to collect the rent from those who are now collecting it, which means the mortgage holders themselves.

When a mortgage holder goes to a courthouse and records a mortgage, specifying that the land cannot be transferred unless the debt is paid, that person is declaring himself to be the person to whom rent must be paid, and therefore the person to whom a tax bill should be sent if a government wishes to collect the rent for public purposes. (cont. page 9)

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