

CHAPTER SEVEN
SITE VALUE TAXATION

WE NOW MUST consider the most controversial aspect of this thesis. But it is also the most practical. It concerns the method whereby we shall control speculation in land and, at the same time, obtain collection of the economic rent for the community. Though these matters can become quite complex in certain treatments, we shall endeavor to keep things as simple as possible. (Economists, like philosophers, need no help in making matters obscure.) So long as the fundamental principles are understood, we do not have to go into extensive detail here. To those who complain that details are important, and that numbers count, we can only reply that reference must be made to the numerous studies cited in footnotes for such material. And to those who may find this chapter too far removed from ordinary philosophical argumentation, we can only say that if philosophy is to provide practical guidance in the area of social and economic justice, then it must offer some concrete proposals grounded in empirical evidence.

The principle of property taxation is probably as old as property rights themselves. Certainly, in the case of real property, taxation on land has been with us since earliest recorded times.¹ Yet, despite the longevity of

¹For the United States see, Aaron M. Sakolshi, Land Tenure and Land Taxation in America (New York: Robert

the practice, controversy still surrounds certain substantive aspects of the real property tax. In particular, though there is a recognition that a general property tax differs from a site value tax, this recognition seldom results in an appreciation of the potential utility of the second and the clear disadvantages of the first. Indeed, property taxation is generally, if not universally, based upon the assessed value of land and improvements. And since the effects of a general property tax have been widely and painfully felt, initial resistance to a site value tax is bound to be strong.² Our first goal, then, must be to clarify the crucial difference between the two forms of property taxation and to show that opposition to one need not imply opposition to the other.

If we are to have a just social and economic order, as well as a stable political system, the burden of taxation must be related to fair and equitable principles of

Schalkenbach Foundation, 1957) and for the world, Harry Gunnison Brown et al., eds., Land Value Taxation Around the World (New York: Robert Schalkenbach Foundation, 1955)

²Property Tax Reform, edited by George E. Peterson (Washington, D.C.: The Urban Institute, 1973) is a good collection of essays on the current furor over property taxation and its reform. Henry J. Aaron, Who Pays the Property Tax? (Washington, D.C.: The Brookings Institution, 1975) is a more skeptical view about the practicality of shifting the property tax to a site value tax completely. See, however, his "Some Observations on Property Tax Valuation and the Significance of Full Value Assessment," pp. 153-166 in The Property Tax and Its Administration edited by Arthur D. Lynn, Jr. (Madison: University of Wisconsin, 1969).

distributive justice. In recent times there has been growing awareness of this need. Equally, it has been recognized that every system of taxation involves some redistribution of wealth in society and cannot be viewed as merely a means whereby revenue, i.e. income, is obtained. Unless attention is given to this aspect of taxation, we may obtain a sufficient source of revenue to meet government needs, but we may also have introduced inequity into the social order unwittingly.

Adam Smith perceptively saw the competing elements that must be satisfied in a just and efficient system of taxation. He offers four maxims that should be followed.³ They are simple and common sensical. We may summarize them thus:

1. Taxation should be equitably distributed. "The subjects of every State ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state."
2. Taxation should be certain in amount. "The tax which each individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the quantity to be paid, ought to be clear and plain to the contributor, and to every other person."
3. Taxation should be collected when it is least inconvenient. "Every tax ought to be levied at the time, or in the manner, in which it is most likely to be convenient for the contributor to pay it."
4. Taxation should be easy to access and collect. "Every tax ought to be so contrived as both to take out and

³Smith, The Wealth of Nations, Book V, Chap II, Part II. 'Of Taxes,' pp. 310-312.

to keep out of the pockets of the people as little as possible, over and above what it brings into the public treasury of the state."

In addition to these four maxims, Smith also understands a fifth important principle of taxation: Taxation should not discourage production. Any tax which reduces the willingness to produce is self-defeating, for there can be no tax revenues if there is no production. Hence, a tax which weighs more heavily on producers than others is bound to discourage production. Such a tax both reduces the gross product of wealth that may be taxed and impoverishes society further by putting men out of work, thus causing greater need for public revenues.

Adam Smith, in this case as in others, was far more perceptive than many of his successors. Too often today these five simple canons of taxation are forgotten when elaborate schemes of taxation are proposed. We must remember these canons, however, and see how they operate with site value taxation.⁴ Site value taxation depends upon collecting the 'economic rent' of land. This is determined by assessing the market value of the site and taxing it.

⁴The following are good introductory treatments of the site value tax: Arthur P. Becker, ed., Land and Building Taxes: Their Effect on Economic Development (Madison: University of Wisconsin Press, 1969); Richard W. Lindholm, ed., Property Taxation: USA (Madison: University of Wisconsin Press, 1967); and Daniel Holland, ed., The Assessment of Land Value (Madison: University of Wisconsin Press, 1970). Also, Harry Gunnison Brown, Selected Articles by Harry Gunnison Brown (New York: Robert Schalkenbach Foundation, 1980).

Critical to this procedure is the term 'market value'. Not surprisingly, perhaps, the courts have given different definitions at different times, and various statutes of the several states have also added their own interpretations. Unfortunately, neither the United States Supreme Court nor the United States Court of Appeals has defined market value of real property in an ad valorem tax case. The Supreme Court did, however, provide a definition of market value for personal property in an 1865 case involving ad valorem duties upon imports. It approved the trial judge's instructions to the jury with the following words:

The market value of goods is the price at which the owner of the goods, or the producer, holds them for sale; the price at which they are freely offered in the market to all the world; such prices as dealers in the goods are willing to receive, and purchases are made to pay, when the goods are bought and sold in the ordinary course of trade. You will perceive, therefore, that the actual cost of the goods is not the standard.⁵

And, for a definition of market value as it related to real property we must borrow from a case dealing with eminent domain. In the 1934 case the Supreme Court had the following to say:

In respect of each item of property that value may be deemed to be the sum which, considering all the circumstances, could have been obtained for it; that, the amount that in all probability would have been arrived at by fair negotiations between an owner willing to sell and a

⁵Cliquot's Champagne, 70 U.S. 125 (1865)

purchaser desiring to buy. In making that estimate there should be taken into account all considerations that fairly might be brought forward and reasonably be given substantial weight in such bargaining. The determination is to be made in the light of all the facts affecting the market value that are shown by the evidence taken in connection with those of such general notoriety as not to require proof. Elements affecting value that depend upon events or combinations of occurrences which, while within the realm of possibility, are not fairly shown to be reasonably probable, should be excluded from consideration, for that would be to allow mere speculation and conjecture to become a guide for the ascertainment of value.⁶

A further clarification of the term comes from an earlier eminent domain case decided in 1878. There the Court had this to say regarding the use of property as it affects market value.

In determining the value of land appropriated for public purposes, the same considerations are to be regarded as in a sale of property between private parties. The inquiry in such cases must be what is the property worth in the market, viewed not merely with reference to the uses to which it is at the time applied, but with reference to the uses to which it is plainly adapted; that is to say, what it is worth from its availability for valuable uses. Property is not to be deemed worthless because the owner allows it to go to waste, or to be regarded as valueless because he is unable to put it to any use. Others may be able to use it.⁷

⁶Olson v. United States, 292 U.S. 257 (1934)

⁷Bloom Co. v. Patterson, 93 U.S. 407 (1878)

Clearly the Court saw that market value has as much to do with potential use as with present employment. This is a crucial point, for it emphasizes the fact that almost all land is open to competing uses. Rural land is subject to the competition of farming, grazing, mining, or lumbering. Urban land is subject to even more competing uses. A single parcel of land may be sought after as the site for a store, factory, dwelling, or office. And even within these few categories we find that each subdivides into many more distinct classes: so the store may be a shoe store, bakery or grocery; the factory may make clothing, automobiles or books; the dwelling may be single or multiple; the office may be for a bank, corporate headquarters, or diverse tenants. Thus it is necessary to determine which potential use is the highest and best in order to arrive at a true estimate of the market value of a site.

The idea of the highest and best use may be preliminarily defined as that use which will generate the greatest net return over a period of time, taking into account all costs of production including environmental ones. It is important to appreciate that economic efficiency cannot be properly calculated without considering environmental costs. There often is legitimate skepticism that by encouraging the productive use of land we might also be encouraging pollution or other forms of ecological disaster. However, once the term highest and best use is understood to involve proper, legal and efficient use consistent with

the demands of ecology as well as those of productivity, then there need not be fear that promoting highest and best use will be environmentally destructive. We shall turn our attention to the complex relationship between property rights and ecology in the next chapter, but the point needs to be mentioned here also.

Allied to the question of environmental considerations is the issue of zoning.⁸ From a legal point of view, unless the usage conforms to the zoning regulations in place, the usage will be improper. Unfortunately, from both an economic and an ethical point of view, this is putting the cart before the horse. Too often restrictions about land usage are not based on real environmental, economic, or ethical grounds. They merely reflect the political and social influences of the time and place, and more significantly they are extensions of property interests which seek to maintain control over their surroundings beyond the boundaries of their individual sites.

On the other hand, the existence, indeed prevalence, of zoning codes and regulations is evidence of the community's

⁸We shall return to this issue later, but here it is sufficient to mention the following: John Delafons, Land Use Control in the United States. (Cambridge, Mass.: M.I.T. Press, 1969); C. Lowell Harris, ed., The Good Earth of America: Planning Our Land Use. (Englewood Cliffs, N.J.: Prentice-Hall, 1974); Robert G. Healy, Land Use and the States. (Baltimore: Johns Hopkins University Press, 1976); and R. Marlin Smith, "The Constitutional Limits on Land Use Controls, pp. 381-401 in Constitutional Government in America, edited by Ronald K. L. Collins (Durham, North Carolina: Carolina Academic Press, 1980).

right to limit land-use when it deems it is necessary. Of course, due process and compensation for 'takings' are equally a part of the process, but the principle remains clear: property rights in land are subject to communal control and responsibility. The demise of feudal tenure did not mean the elimination of all duties and obligations to society. It did, however, make people less willing to recognize the relative status of all land ownership. Only a concerted effort at reeducation is likely to restore public acceptance of communal responsibility for property rights, and only a site value tax is capable of making that responsibility practical.

Once the highest and best use of a site has been determined, then the market value can be estimated. As A. M. Woodruff states, "Generally market value and the value justified by highest and best use coincide closely or are in fact identical."⁹ Especially on sites which lie adjacent or proximate to new development, market value will reflect the potential use that the changed neighborhood brings about. That the owner of such a site has had the benefit of preferential tax treatment during a transitional stage of development is even more reason why the public should recapture its due share of economic rent once development

⁹A. M. Woodruff, "Assessment Standards: Highest and Best Use as a Basis for Land Appraisal and Assessment," p. 182 in The Property Tax and Its Assessment, edited by Lynn.

is completed.¹⁰ How anyone can believe a speculator is due the whole benefit of what the community, including third party developers who pay their fair share of tax, has created is very difficult to comprehend. Just because he patiently waited for others to take the initiative and held his land out of use? It is quite clear that his 'patience' was dependant upon great expectations and he would have been able to hold his land out of use only if he had more land than necessary to support himself. Oftentimes such speculators erect 'taxpayer' buildings on their sites. These are temporary buildings whose revenues are sufficient to pay the minimum tax on the property but entail little investment of capital and produce no substantial improvement of the site. They do not meet the qualifications for highest and best use.

It is the difference of usage that distinguishes the speculator from the entrepreneur.¹¹ The first is really only interested in reaping unearned gain from the efforts of others; while the second is truly interested in being a productive, and hence useful, member of the community. He wants his reward for work done; the other wants it for

¹⁰ Arthur P. Becker, "Principles of Taxing Land and Building for Economic Development," pp. 11-47 in Land and Building Taxes: Their Effect on Economic Development, edited by Becker.

¹¹ For an enlightening discussion of how speculators actually operate, see Bruce Lindeman, "The Anatomy of Land Speculation," Journal of the American Institute of Planners, 42 (1976): 142-152.

nothing. Whether or not gambling is rooted in human nature, we need not decide. But whether or not we are going to encourage and reward the gambler, and in so doing undermine the worker, is an important issue. If society allows the speculator to profit wildly from his ability to hold land out of use, does this not penalize the entrepreneur who diligently seeks to maximize his efficiency and increase his productivity, and yet who must pay even greater taxes for his efforts? After all, if some are able to avoid their rightful taxes, then the rest of society must make up for that loss through greater tax deductions from their own incomes. We cannot forget that government expenses will be paid by someone: the question is who?

An important point must be made here. All along we have been speaking about a site value tax not a general property tax. The difference between the two is simple: (1) a site value tax is based on the market value of land without improvements. (2) a general property tax is based on the market value of land with improvements.¹² In the second case anything that has been done to improve the

¹²The problem of distinguishing between the value of land and the value of improvements is more apparent than real. It is worth knowing that the U.S. Census of Agriculture from 1900-140 reported separately on land and building values. Presently, most localities list land and improvement assessments separately; some even tax the two at different rates. See, Walter Rybeck, "The Only Alternative to the Property Tax: A Better Property Tax," Vital Speeches of the Day (Dec. 15, 1978): 149-152 for a concise statement of the differences between the two taxes.

land for productive or personal purposes is included in the value of the site. So, if one has erected a sturdy house or big factory on the site, then the cost of the house or factory will be added to the value of the site. Clearly this penalizes those who attempt to employ their sites in the highest and best uses since that will only be served by proper capital equipment and buildings. Even esthetic improvements will be expensive. A well maintained garden will be taxed much more than a vacant untended lot.

If property rights in land are granted to enable men to live their lives in a productive and peaceful fashion, then why is it that those who try hardest to make their surroundings beautiful and useful are taxed and those who care little for their property or its appearance are not? Certainly, if we grant contribution as a criterion of justice, we are bound to give credit where credit is due. Moreover, the last of Adam Smith's five principles specifically warns against forms of taxation that discourage productivity. When something is taxed, even if it is a necessity, it will be used sparingly and there will be little encouragement to improve it. The case is most evident with buildings. There is no inducement to build beautiful, lasting structures if that means higher taxes. Arthur P. Becker states the reasons for excluding improvements from taxation succinctly:

Land also differs economically from improvements and tangible personalty because these two require economic

inducements for their production. Since urban land, considered in terms of its most essential characteristic as three-dimensional space, is a gift of nature, no economic inducement or compensation is required to bring it into existence. Objection to this view might arise on the grounds that improvements to a site are necessary to make it usable. While most capital improvements merge into the land itself, the fact remains that the essential characteristic of urban land, space, is not and cannot be created by means of improvements to the land and requires no economic inducement to appear. Moreover, inducements are not required to maintain the supply of land, since nature has already provided for this by endowing land with the quality of indestructibility. Such improvements to the land as leveling or filling may be permanent because they merge with the land and become a characteristic of it. The life of most improvements on the land as well as all tangible personalty are temporary, however, even though they are called 'durable goods', for the ravages of use and the elements will in time destroy and ultimately convert them into the materials of land itself. Consequently, they require not only initial economic inducements to bring them into being, but also repeated economic inducements to insure their maintenance and ultimate replacement when it becomes necessary. (emphasis added)¹³

¹³Becker, "Principles of Taxing Land and Buildings for Economic Development," p. 17. See, also, James Heilbrun, Real Estate Taxes and Urban Housing (New York: Columbia University Press, 1966) and his "Reforming the Real Estate Tax to Encourage Housing Maintenance and Rehabilitation," pp. 63-79 in Land and Building Taxes, edited by Becker. Heilbrun argues that a "tax on improvements, therefore, pushes the return on investment in housing and other structures below the margin of profitability. Investment in housing ceases until housing rent can rise sufficiently to yield an after-tax marginal return equal to that obtainable on untaxed uses of capital." (p. 74)

It is sometimes suggested that speculation is not really such a bad thing, and in fact it may promote more good than evil. Even critics of present day land policies are often willing to give credit where none is due. As an example, listen to the arguments of James C. Hite in his recent book calling for national land-use policies:

Speculators often do play important and constructive roles in the functioning of an economy. Indeed, it is almost impossible for any of us to avoid being speculators of some sort during the course of our lives. If we spend time and money to acquire an education, we are speculating that such an investment will yield greater returns in the future than if the same time and money were used in some other way. If we invest in a home freezer and stock it with beef, we are speculating that we can save money because we believe beef prices are going to increase substantially in the future . . . The profits which a speculator hopes to make must be commensurate with the risk he undertakes. It is argued that these profits are the payment he receives for taking risks others do not want to assume.

In many cases, speculation and speculators serve a very useful economic function by accepting risks. Life insurance companies, for example, speculate in human longevity . . . Speculators, as risk takers, also help to make the economy run smoothly by evening out price fluctuations . . . Speculators increase the predictability of prices in the economy and facilitate long-range production planning by farmers, industrialists, and other producers.¹⁴

¹⁴James C. Hite, Room and Situation (Chicago: Nelson-Hall, 1980), pp. 69-71.

Hite confuses the problem of credit with the function of speculation. Also, he fails to see that the major reason why people store goods is the prevalence of inflation in modern economic systems. If there were no inflation, it would make little sense to store frozen food since that costs money itself. Of course, fluctuations in the business cycle may make certain items scarce at certain times. But, leaving aside seasonal factors, artificial market forces are much more in evidence than anything else on the Commodities Exchange. If speculation is such a good thing or such a useful economic activity, then why is it that every society finds hoarding unacceptable?

Even as Hite is forced to admit, none of these arguments support speculation in land. Holding land out of use is quite a different matter than storing goods, for land is not just another commodity. Especially when we consider the lack of risk involved in most land speculation, it is hard even to call it a risky business. The land speculator is not conserving something for the future. He is not making available a commodity which might otherwise be consumed. After all, as we have noted before, land is permanent.

Land will be there, whether anyone owns it or not. It is not necessary to have investment in land to assure society that land will be available to serve society's needs. It follows, therefore, that it is not necessary for society to pay anything at all, via profits to speculators, in compensation for the long-run risks of owning land. Any long-run investment in land is sterile from

a social perspective, and any positive profits obtained from long-run land ownership are excessive, unnecessary costs to society.¹⁵

The short-term speculator is generally considered useful to society for the service he provides by assembling and transferring diverse plots of land to developers. According to this argument, by assembling these sites together into one plot which can subsequently be used for better purposes, real estate speculators promote productive use of land and circumnavigate individual greed. Unfortunately, this argument cuts both ways. If the speculator is able to purchase adjacent sites secretly in order to avoid paying exorbitant prices to individual landowners, that is fine and might be rewarded. But that he should merely turn around and demand the same exorbitant price from a developer hardly seems praiseworthy. What is gained? We have merely observed the transference of speculative gain from several individuals to one smarter individual. One is reminded of a quip: The socialists had a good idea. They said, Let's take all the money and give a little to each. But, then, the gambler came along, and he said, No. Let's take a little bit of money from each and give it to one person. That was highly popular! Everyone imagined that he would be the one to profit, but in fact only the gambler profited and society lost.

¹⁵Ibid., p. 74.

Particularly in the case with land enclosure, once speculation is rewarded, then the tendency for everyone to want to reap exorbitant gain irrespective of time or reason plagues society and creates unnecessary scarcity of a primary good. The finitude of land is too great already. There is no need to create greater scarcity, especially when doing so creates no public advantages but only personal profit.

It must be admitted that the crucial factor in a site value tax is the accuracy and objectivity of assessments. Much of the problem with current property taxes comes from the lack of uniform assessment procedures throughout the country. Since property taxes are levied at the local level, even adjacent communities employ widely different methods as well as offering special exemptions and privileges. These practices are further complicated by local zoning regulations. It has been estimated that there are about 14,000 different assessment offices throughout the nation. And that assessors are not necessarily well trained or knowledgeable about the fundamentals of property taxation. Where expert assessors are found, there is a decided difference of return on local tax rates. The question remains whether the property tax violates maxim four of Smith's list,

Critics of property taxation generally point to the effectiveness of the income tax in raising revenue, but seldom do they stop to examine whether or not the tax is

as effective—not to mention equitable—as it is supposed. Certainly the fear of the IRS has encouraged greater compliance with the tax than might be expected, but there are serious signs that this compliance is lessening. Moreover, the effectiveness can largely be traced to the use of employer withholding rather than voluntary payment. How much compliance there is among the self-employed is something few revenue officers like to think about. After all, it is much easier to hide income than land. You can't stash your land holdings in a mattress!

The other problem with an income tax is that the entire concept of income becomes a legal (indeed almost a metaphysical) nightmare. While the ordinary wage earner pays fully on what he earns, those who have unearned income enjoy deductions and exemptions that parallel their ability to avoid having to work in the first place. Not only are they free from the burdens of labor but also from the burdens of taxation. There is little difficulty in deciding what is land and what is not. As we have already noted before, assessors already distinguish between land and improvements when drawing up their assessments. And it certainly does not require a great legal mind to determine what belongs to the earth and what is man-made.

Another very significant thing about site value taxation is that it is generally agreed that it cannot be shifted on to someone other than the landowner. Even tenants are free from it being passed along. This is

because landlords by and large will charge the highest rents they can, and so if a new assessment is made, they cannot raise their rent in order to meet the expense because otherwise they will lose their tenants. Since landlords want others to utilize their sites, and thus reap benefits without doing anything, they are bound to accept leases according to market prices. Otherwise, they must utilize their own sites to pay the site value tax or abandon them. Only because many sites are under-assessed, and therefore yield far more in revenue than is taxed, can landlords lease property which others develop and produce upon. If full site value taxation were in place, there would be no economic rent for the landlord to live off. It would have been collected by the community.

Since there are only two sources of wealth, land and labor, if the wage earner receives his due from his labor, and the community receives its due from collection of the economic rent of the site through full site value taxation, then there is no profit in owning land without using it. The only way a landlord is able to obtain revenue from his ownership of land is when the economic rent is not collected. Site value taxation collects the economic rent, and hence it forces landlords to employ their sites in productive enterprises or abandon them. Absentee ownership becomes unprofitable.

Henry George was the most ardent advocate of site value taxation. He summarized his views as follows:

I do not propose either to purchase or to confiscate private property in land. The first would be unjust; the second, needless. Let the individuals who now hold it still retain, if they want to, possession of what they are pleased to call their land. Let them continue to call it their land. Let them buy and sell, and bequeath and devise it. We may safely leave them the shell, if we take the kernel. It is not necessary to confiscate land; it is only necessary to confiscate rent.

Nor to take rent for public purposes is it necessary that the State should bother with the letting of land, and assume the chances of the favoritism, collusion, and corruption that this might involve. It is not necessary that any new machinery should be created. The machinery already exists. Instead of extending it, all we have to do is simplify and reduce it. By leaving land-owners a percentage of rent which would probably be much less than the cost and loss involved in attempting to rent lands through State agency, and by making use of this existing machinery, we may, without jar or shock, assert the common right to land by taking rent for public uses.

We already take some rent in taxation. We have only to make some changes in our modes of taxation to take it all.¹⁶

The many followers of George disagree about details and certain other ideas found in his writings, but they all accept his major premise: economic rent belongs to the community and should be collected by the community through

¹⁶George, Progress and Poverty, p. 405.

site value taxation.¹⁷

These calculations may be viewed by some as too vague or imprecise. Modern econometrics enjoys a wealth of numbers, if not goods. However, we need to indicate clearly what the results of specific policies will be for society as a whole. Yet here we are concerned with something more fundamental than tax receipts. If economics is not based upon justice, then we can take no pride in and deserve no profit from our system. First things must remain first, and a just system of land tenure and a fair tax upon land are primary elements in a free society.

Whatever the economic rent may turn out to be, it will be sufficient, when collected, to discourage land

¹⁷Critics of the property tax often make appeals for special exemptions or treatment of one group or another—the old, the veteran, the infirm, etc.—but the experience with loopholes, deductions, credits, and the like in present day income tax, makes one extremely suspicious of any special interest groups. Mason Gaffney has rightly observed, "There is a maulin appeal to aiding the helpless widow which should put us on guard by reflex: who is playing our emotions, and to what end? If there is a good case to be made it can be made soberly and without seeking to shame us into holding back sharp questions. The young have problems too. And in terms of maximizing everyone's welfare by allocating wealth efficiently, the major problem between youth and age is increasingly to pry loose the control of inert property from the old for the young before the young have become the old." "An Agenda for Strengthening the Property Tax," p. 69 in Property Tax Reform, edited by Petterson. Both John Shannon "The Property Tax: Reform or Relief; pp. 25-41; and Henry Aaron, "What do Circuit-Breaker Laws Accomplish?," pp. 53-64 take a more tolerant attitude, though Aaron also comes down against 'circuit-breaker' laws. In addition, see Joan E. O'Bannon, "Payments from Tax-Exempt Property," pp. 187-212; Bernard F. Sliger, "Exemption of Veterans' Homesteads," pp. 213-223 and "Property-Tax Concessions to

speculation. That is the most important thing at this point. Henry George's belief that it would be capable of meeting all the needs of society, and thus become the 'single tax', is not at issue here. As many have pointed out, when George wrote government expenses were a mere 5% of what they are today. Nevertheless, before other forms of taxation are applied, it is essential for the sake of justice that the full economic rent be collected for all sites.

It must be expected that such a suggestion will give rise to all kinds of objections. The practicality of such a measure will be attacked. The futility of such a stop-gap proposal will be argued. The irrelevance of the tax to modern economic systems suggested. And yet, the injustice of the measure will never be questioned! It is worth asking why justice should be ignored in taxation. Even if collection of the economic rent did little to lessen the tax burden upon everyone, it would be better than nothing, for as we have seen it does belong to the community to begin with.

the Aged," pp. 225-235 in Property Taxation: USA, edited by Lindholm.