

Administration

While it is generally agreed that a better tax system has long been needed, it is often claimed that no better plan has ever been proposed. As the plan here outlined has been proposed for eighty years and is in partial operation, to the entire satisfaction of the people using it in many parts of the world, this statement must be the result of ignorance or prejudice. It is a grave reflection on our professors of economics, many of whom, knowing its merits, derogate it through fear of the conservativeness of the Boards of Regents of their universities.

Enmeshed in a precarious economic pattern, we are living in a state of artificial and uncertain extravagance;

but if, over a suitable period which might be tentatively set at ten years, we were, in ten steps, to raise the collection of land rental to full value while lowering all other taxes (except those retained for punitive purposes) to extinction, we can be certain that we would achieve enormous substantial prosperity.

Such a change would not be readily accepted—it would be vociferously opposed. But practical results would soon win over many of the opponents.

While no constitutional amendment would be required, though it might be most desirable, nor any great change in our statutes other than to make plain our methods of assessment, there would be one point which might need definite pronouncement. There are many ground leases that include contractual provision that the lessee pay all the taxes, and legal provision would have to protect the lessee from the double burden of paying the land rental to the lessor and also to the state.

It is worth repeating that under this open, publicly scrutinizable system the national, state, and city-county administrations would have a dignified, certain, regular, and only slowly fluctuating income, with a minimum susceptibility to political or personal fraud.

It would be ridiculous to expect that we can rid ourselves of political hacks and bureaucrats. It is conceivable that a clique of political manipulators might conspire to advance land rentals above the economic or renter-competition level. There would, however, be the great deterrent that any such action would be sharply out in the open, involving plainly read values, printed on publicly available maps,

and, according to the ancient Chinese proverb: "Only a very sly man can shoot off a cannon quietly." It is obvious that the land-rental value system would wipe out a host of opportunities for falsification of values and tax records.

It is also quite conceivable that with tax-freed and consequently flourishing business hungry for more space, and building no longer discouraged by punitive taxation, land speculation would reappear as a result of the bidding up of land values. If this developed, it would be the immediate duty of the assessor to turn this flow into the public treasury. Whenever land developed a selling price, it would be evidence that it was insufficiently "taxed."

By virtue of the fact that the revenue would originate in the counties, their natural tendency would be to retain as much as possible for local requirements, and we might see a diminishing of that expensive evil, the "grant in aid." Local governing bodies such as state legislatures, it might be found, would gain in dignity, and the hat-in-hand leaning on a papa-knows-best Washington would lessen in volume, at the least.

No thoughtful student of this principle thinks of it as Utopia, a panacea, or a cure-all. It does, however, have values that are immediate and positive. In itself business-like, it can operate to clean up our present unwieldy and disorderly procedure, and it could indicate the value of getting our government out of innumerable businesses in which it has no valid reason for being, because they are, as Abraham Lincoln indicated, in no sense the proper province or function of government.