

Results of adoption

If the American people were to adopt the systematic collection of this publicly created source of revenue, the rental of the land, the following advantages could be reasonably expected.

The United States of America and its political subdivisions would receive a dignified, certain, and ample income. The *public income* would by definition be based on a tangible, known value proportionate to the general prosperity of the people, the competition for desirable location. The public income would fluctuate slowly and would be subject only to periodical adjustments. As the land-rental values of all areas would be published as an

open public record and the taxation on them—or land-rental collection of them—would be uniform in proportion to their desirability, there would be no opportunity for fraud or misrepresentation.

As the land rental would furnish the public fund, there would be no necessity to make out any form of report—such as a report on furniture, securities, and other property, or on the conducting of a business and the income earned by it.

There would be no legalized snooping into the affairs of companies or individuals.

In the event that a person or group wished to engage in some activity, it would no longer be necessary to begin with an appropriation to secure a site for their project, and all of their capital could be used for construction and working capital.

As land rent would take the place of taxation, discontinuing the present duplication, the cost of living would naturally be reduced.

As it would be necessary to use land or relinquish it, building would immediately be stimulated, the land being either made available by abandonment by speculators or made profitable by building improvements. This, in turn, would introduce the factor of competition for tenants in the improvements and would therefore reduce rents—“rents” being used in this connection to indicate room rent, house rent, or office rent.

Corporations would be able to plow back much of their earnings in increased facilities.

Increased corporation earnings would make it possible

—and it would soon become obligatory—to increase the recompense of employees.

In the event of a public improvement being contemplated, there would be no advantage or profit, as at present, in buying up the land required for the improvement, to sell at an arbitrary—and unearned—gouge.

It would not be advantageous for a business concern to make contributions to an assessor's "campaign fund" with the expectation or hope of his setting, or winking at, a false valuation of its property.

Illustrative of some of the benefits is the following letter, published in the magazine *Land & Liberty*, and written by John Blythe, treasurer of the Sale's Ratepayers Association, from the town of Sale, Victoria, Australia, where the "Henry George Theory" is partially and very successfully applied.

Firstly we were all greatly heartened by the decision of J. J. Davies and Son to start manufacturing in Sale in what was the woolen mills. This industry was our first proof of the value of the new system, and as they hope to employ some 160 persons in the first year, their help to the city is by no means small.

There were several vacant blocks in prominent parts of the city, even in the main street. Two large blocks have changed hands in Raymond Street. On one will be erected a shop for Dalgety's, and on the other (a huge block) a new garage is planned. Both of these should be in the course of construction before the end of July.

Foster Street has shown marked improvement, both in the area near the Post Office (one new shop, two shops newly renovated extensively and three more proposed, Gutheridge House, in course of demolition

for additions to St. Anne's School), and the residential area facing the lake, where three new houses are in course of construction on blocks previously unobtainable.

Blocks in the area bounded by Raglan Street, Gutheridge Parade, Reeves Street, and Foster Street, have been sold and building commenced on land which had been held since Sale was first settled.

The Ambulance Service has secured land in Cunningham Street, close to the centre of town, and will build modern offices and residences almost at once; other buildings are proposed in other parts of the city by the Masonic Lodge and other organizations.

A new hall is being erected on the corner of Macalister and Pearson Streets and a new Presbyterian Church is pushing upward at the corner of Raymond and Macalister Streets.

An example nearer home for American readers can be found in the irrigation districts of California, of which there are 110 covering over four and a half million acres. Legislation adopted in 1887 empowers these districts to levy local taxes for their development and maintenance costs against land values only. Under this form of taxation the districts, and any cities within them subject to district land taxes, have flourished. "Flying over the Central Valley in California," says Harlan Trott, writing in *The Christian Science Monitor*, "one can 'see' land-value taxation at work. The district is dotted with 7,000 family-sized farms. The region adjoining its western boundary is sparsely settled and the towns are slummy."

The towns of Dinuba, located in an irrigation district,

and Arvin, which is not, have been compared by Dr. Walter R. Goldschmidt of the University of California in Los Angeles in a report made to the Special Senate Committee to Study Problems of American Small Business in 1946 (S. Res. 28). The study shows a number of interesting findings, among them the following:

Although the two communities have about the same population, Dinuba shows many more schools, churches, and stores than are in Arvin.

The percentage of home ownership was much greater in Dinuba, and there are many more family-sized farms.

The proportion of absentee farm ownership and the ratio of farm tenancy were much greater in Arvin.

Some of the irrigation districts in recent years have elected to finance themselves, in whole or in part from the sale of electricity generated by their storage dams instead of altogether by land-value taxation. The Modesto irrigation district, which includes the city of Modesto, has taken this step and consequently, says Harlan Trott:

Speculators in land have moved back into Modesto, and today there is an auto junk yard decorating the main thoroughfare in the heart of the city. Land-value taxation transformed Modesto, in one generation, from a main drag without sidewalks and with seven saloons, one school, and two churches, into a modern Chamber of Commerce showcase. With the easing, and now the cessation, of land-value taxation, the town is lapsing into something less attractive than the Modesto of thirty years ago.