

wise the share going to land rent must decrease. Land rent may increase as an *absolute* amount, but it will decrease as a percentage of the total product.

Take, for example, any agricultural country in the world today. Compared to the United States, the amount of land rent is of course much smaller, but is it not true that the landowner overseas gets a greater share of what is produced? Various UN reports tell us that in South Korea an agricultural landowner can get 50 per cent of the total crop. In Japan the minimum has been 50 per cent. In Kurdistan (Persia) the landowner gets two-thirds of the crop, in Egypt 50 per cent, and so on. Land rent in America may be high, but in all truth it must be admitted that any American landowner would be extremely satisfied if he got as much as 10 per cent of what is produced on his land. In suburban shopping centers, real estate owners get 6 per cent of total retail sales. This 6 per cent is not all land rent. As agri-

cultural countries become more industrial, and production becomes more roundabout, landowners can expect to get more for their land, but the total amount of wages and interest will increase even faster.

I would like to mention a third reason why land values don't seem to be as large as the *Progress and Poverty* analysis would indicate they should be. Real estate taxes are higher than ever before. Land is consequently being taxed more than in the past. As a result, land values, which are capitalized land rent, have been considerably held down. Perhaps we tend to overlook this. New York City land may be assessed at \$12 billion, but how much more would New York City land be worth if that part of the real estate tax which falls on land values were reduced? If New York land were not taxed at all (say, if the real estate tax were replaced by another type of tax), wouldn't the value of New York land jump fantastically?

PITTSBURGH HAS BENEFITED FROM THE GRADED TAX

The Hon. Mayor David L. Lawrence of Pittsburgh, who was recently elected governor of Pennsylvania, said early in his term as mayor, "there is no doubt in my mind that the graded tax has been a good thing for Pittsburgh. It has discouraged the holding of vacant land for speculation and provides an incentive for building improvements. In the distribution of the tax burden, it is beneficial to the home owners. The law is generally accepted in the community, and there is no significant support for its repeal or modification. In fact, there is a lively movement to extend it."

Councilman Bennett Rodgers, speaking at the recent Henry George Foundation conference in Pittsburgh, said, "There is no question that the graded tax has proved successful in Pittsburgh . . . it recognizes the impact of community improvements upon land values. It is equally apparent that it has been beneficial to the home owner, whose numbers are growing every day."