



On reading the review of Raymond Moley's *Republican Opportunity*, and the reference to "tolerable taxation policies," it occurred to me, as it often has before, that as fully as possible, readers on the subject of equitable taxation should have their minds disabused of the thought that in the public collection of land rental, one group is unjustly singled out for taxes and the rest of us pay none.

It is often said that a tax on land rental rests on the landlord and cannot be passed on to the occupant. This is only true under certain conditions, notably if the land is "owned" by an "owner" and rented to a user. In this case the user pays the full rental value to the owner—but the owner, if we adopted public collection of land rental as the government income, would pay it to the tax (or, better, the public's rent) collector. Thus "ownership," as a participation in the rental value return, is obliterated.

But the user has paid out the full rental value. If the land is used for a home site this rests on him as at present, but if he is paying it for the site of an income-producing property—a hotel, factory, lumber-yard, or farm—the rental is a cost of doing business and is passed on to the consumer. For if his venture does not carry all the costs of doing business he will soon choose to discontinue or be forced to do so.

Here we see that each customer pays his share of the rent. Every guest at a hotel, every purchaser of goods, every member of a theater audience, pays a part of the land rental as charged into the cost of doing business.

So the idea that only one part of the public pays taxes—that there is unjust discrimination against the landlord—is a mistaken idea. In some way, through some channel, we all pay the land rental. But with sane, intelligent taxation there would not be any landlord to discriminate against!

The tremendously gratifying advantage of the public collection of land rental is that we would not pay it twice—once to an "owner" who contributes nothing, and a second time when we replace it with income, sales and property taxes.

JOSEPH S. THOMPSON  
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Last October you published a letter of mine on relation of taxes to the price of land (i.e., when the tax is 90 per cent of the economic rent it is 54 per cent of the price and unless understood would seem very excessive).

It is an odd thing that I received two responses; one from France and one from Australia. The fact that I received none from American readers makes me wonder if I failed to make my point clear.

JAMES HAIR  
Cincinnati, Ohio

[Mr. W. H. Pitt of Australia wrote to Mr. Hair as follows:

"Where we Georgists talk of land value in the sense of land price, which is the private capitalization of it, we run into a mathematical morass which you recognize. For the more we tax 'price' the less there will be of it. Our revenue base then would have to change. I think a lot of our past trouble may be that the public senses something of this and reckons us a bit muddled over it."]