

# YOU



# AND AMERICA'S FUTURE

3-653

*Twenty-Five Cents*



## FOREWORD

In the early 1930's four weighty reports were made by the Brookings Institution of Washington, D. C., entitled "America's Capacity to Produce," "America's Capacity to Consume," "The Formation of Capital," and "Income and Economic Progress." Four pamphlets were later published which summarized the complete reports. Dr. Harold G. Moulton, President of the Brookings Institution, in an article for *Fortune* further abridged the basic studies. And finally the J. Walter Thompson Company, world-renowned advertising agency, brought out a "Brookings Primer of Progress" - a 22-page illustrated pamphlet designed to present a busy man's version of the four reports.

All told, the reports in original version and in various condensations, have reached many hundreds of thousands of people.

As we see it, the essentials of the reports are that the profit system has intrinsic merits worth conserving, and that such conservation can best be achieved by industry giving the American people more for their money than ever before, and by government relieving production and distribution of needlessly burdensome taxation.

In the belief that there is more to be said on the subject of taxation and the right of every business man and wage-earner to make a better living in a free economy, the authors offer in condensed pictorial form certain elements of the Science of Political Economy. It is their belief that enterpriser and wage-earner are not as cognizant of economic laws as it is their right to be.

ROBERT GLANCY  
WILLIAM NEWCOMB

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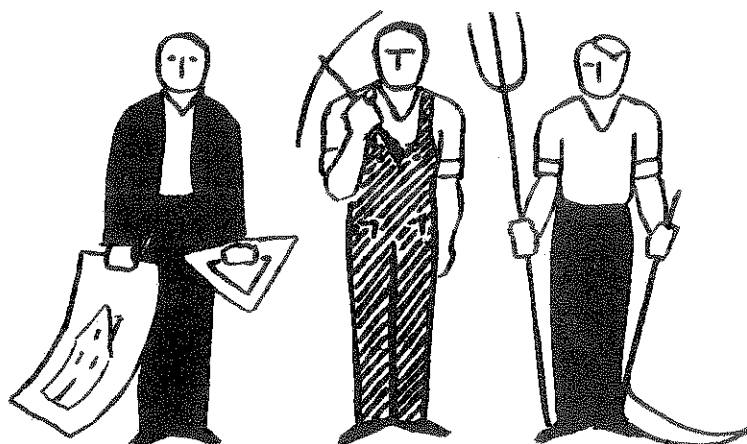
8 East 30th Street

New York, New York

(Write for Quantity Prices.)

### PLENTY OF RESOURCES

Blessed with a superabundance of natural resources in relation to population, we should be a permanently prosperous nation. Our assets, properly used, can produce and maintain a higher standard of general welfare than the world has ever seen.



### PLENTY OF ABLE WORKERS

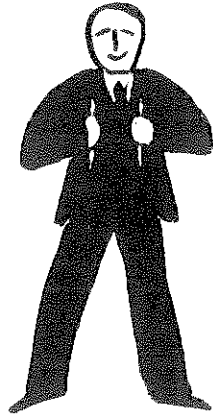
The highways and byways of city and country, thick with men who want an opportunity to earn wages with an honest day's labor! Men's desires are so unlimited that, barring ill health or advanced age, they are eager to work even though they have become comfortably situated.

### ABUNDANT PRODUCTIVE CAPACITY

With all this land, with labor available, with creative genius turning out new inventions annually, America has forged ahead. There have been no plagues, no nation-wide blights, such as the continents of Europe and Asia have suffered. Being young, when other nations were old, we profited by many of their mistakes, became a world power, exporting our goods to the far corners of the earth.



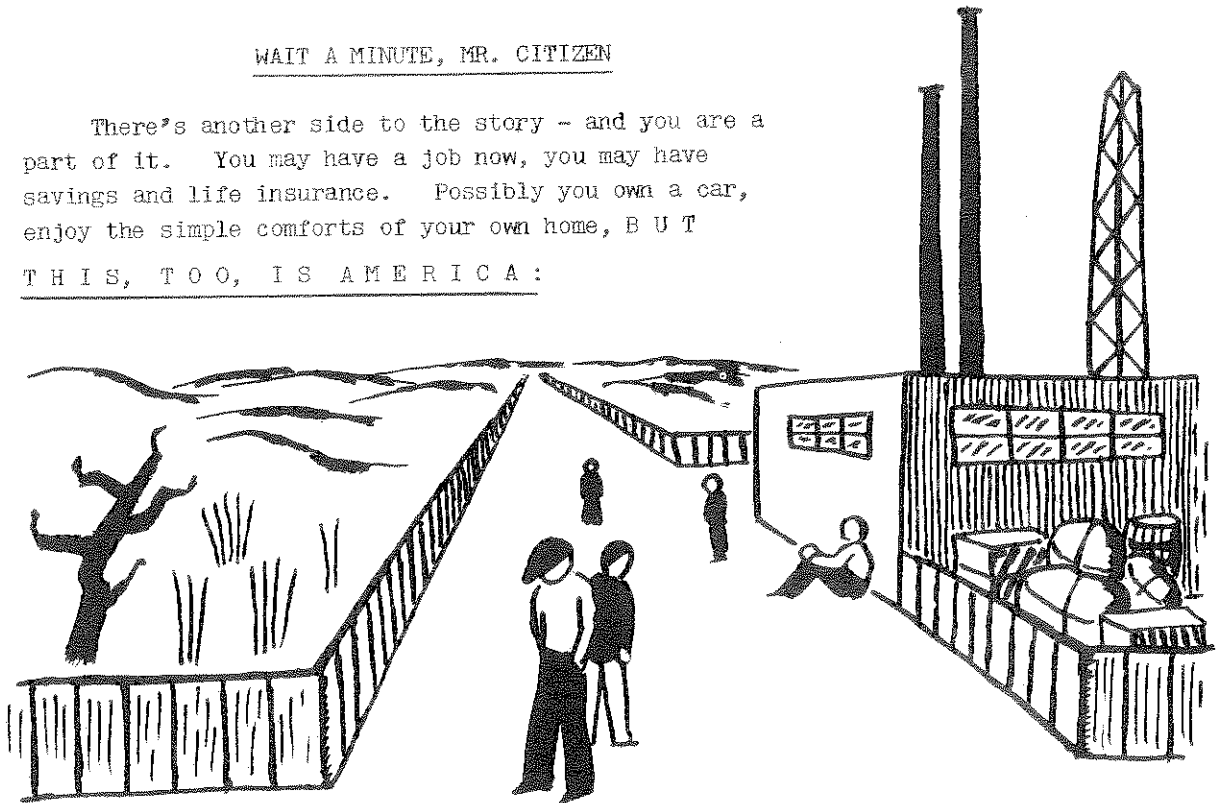
THIS IS AN AMERICAN CITIZEN



"It certainly is a great country. I can vote, I can run for office myself. I can save up my wages, and go into business myself. I am free, independent - and my children can all have a college education."

WAIT A MINUTE, MR. CITIZEN

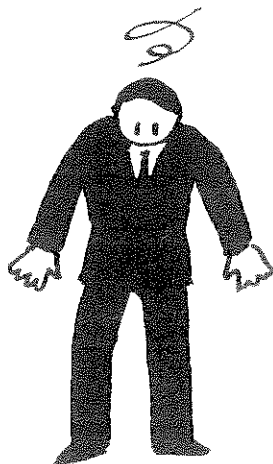
There's another side to the story - and you are a part of it. You may have a job now, you may have savings and life insurance. Possibly you own a car, enjoy the simple comforts of your own home, B U T  
THIS, TOO, IS AMERICA :



Millions of acres of natural resources, unused - and not permitted to be used

Millions of willing workers, unable to get employment in their own trades, or work of any kind.

Millions of pounds of foodstuff rotting, and other goods lying on warehouse shelves for want of buyers.



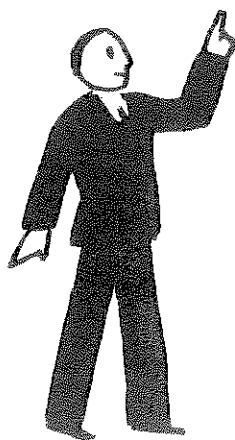
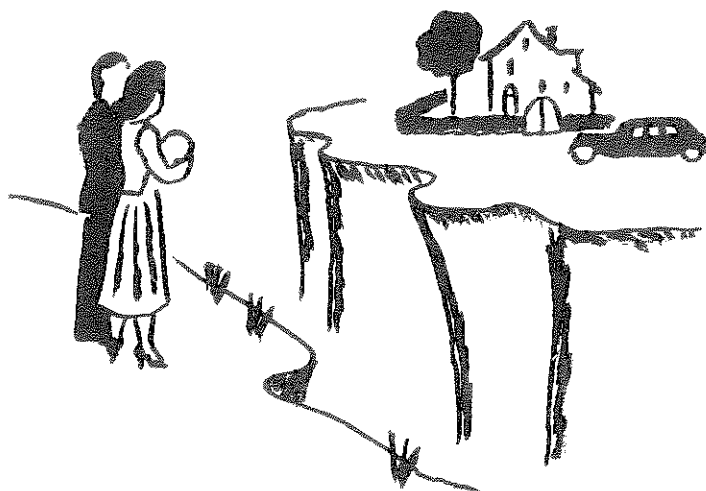
### DOUBTS - CONFUSION - WORRY

"Maybe we didn't vote the right party into office. Maybe we should overhaul the 'system'. Maybe I'll be out of a job tomorrow."

### HOW SHALL WE BRIDGE THE GAP?

You produced the goods, Mr. Citizen, therefore you should not have to lose your job. And most people will agree that men are not inherently lazy, but that they will work to satisfy their desires.

You've heard of the Brookings Institution?

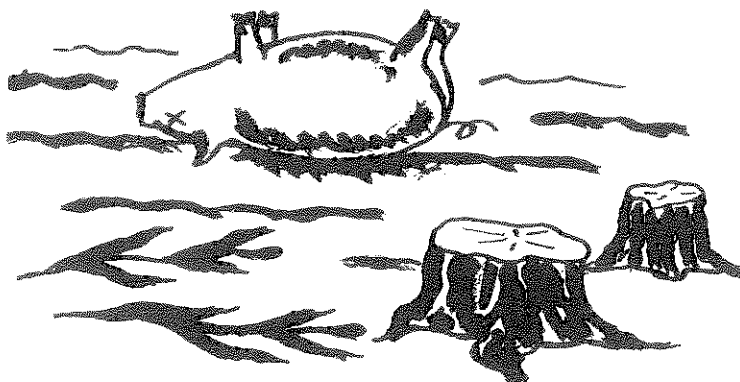


"Sure! I know it is famous for its researches into social and industrial problems. Millions of business men rely upon its findings."

### THE BROOKINGS REPORT

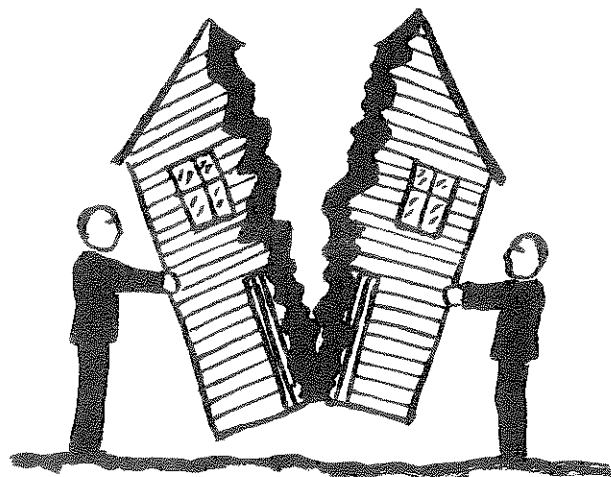
In a four volume report (also in pamphlets for a busy man's reading) the findings of the Brookings Institution are available for the reading. The following remedies are first dismissed as being inadequate....





### LIMIT PRODUCTION

We can't wear plowed-under cotton shirts. We can't eat meat and bread from pigs and wheat that are not raised. If the government takes our hard-earned tax payments to reduce production, why should we produce to keep others from producing?



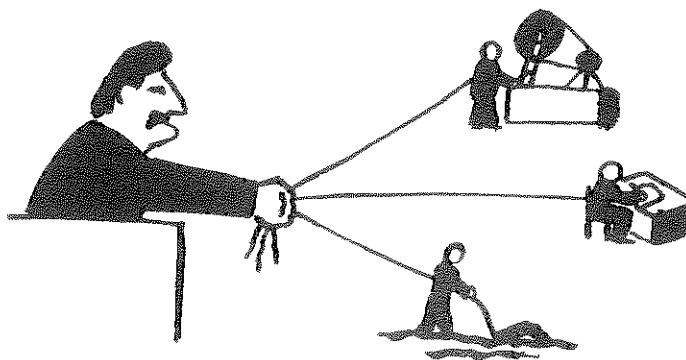
### SHARE THE WEALTH

Dividing the farms and factories and stores between those who have and those who have not could neither be done equitably nor with justice to those who have already produced wealth.

We need more wealth in total, not a division of our present limited wealth.

### COMMUNISM

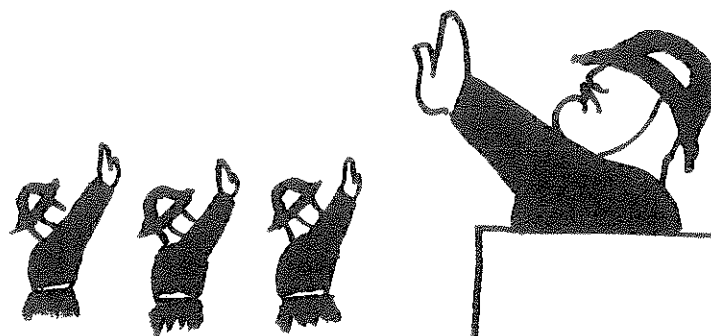
America was founded and settled by men looking for freedom -- of speech, of assembly, of enterprise. Do we want a bureaucracy to dictate our thinking and our actions? Do we want to produce wealth for a State or for our individual selves? Shall we kill private initiative, which is the way of America?

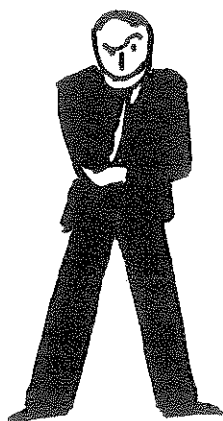


### FASCISM -- NAZIISM

Does dictatorship bring prosperity? Would we want our children -- both male and female -- to be required to serve in the army?

Would we want racial hatred spread over America as in the dictator countries?





#### MR. CITIZEN AGREES WITH BROOKINGS

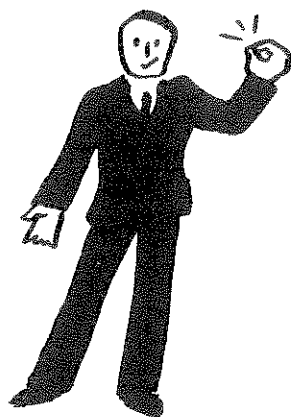
"Can't say I like any of those remedies myself. They all call for too much regimentation. I don't think much of this idea of using a formula. Too much like a story book, with the characters hopping about at the will of the author."

#### NO GENIUSES NEED APPLY

Exactly. Communism and Fascism require control at the top, with a lot of lesser bureaucrats making demands of the people for the State. That is NOT the American way. Now Brookings gives an answer without collectivizing our life and labor.

#### THE BROOKINGS ANSWER

"Not enough people have enough purchasing power for the things they want."



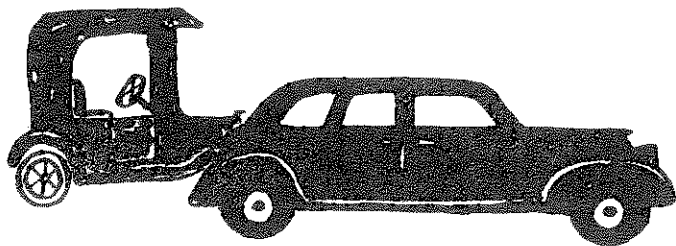
#### EUREKA!

"That's it, of course! If we had more we could buy the goods that are rotting. Labor would be in demand. Land would be used.

"But, how can it be done?"

BROOKINGS SAYS: REDUCE PRICES -- GIVE MORE FOR THE MONEY.

CAN IT BE DONE? IT HAS BEEN DONE!

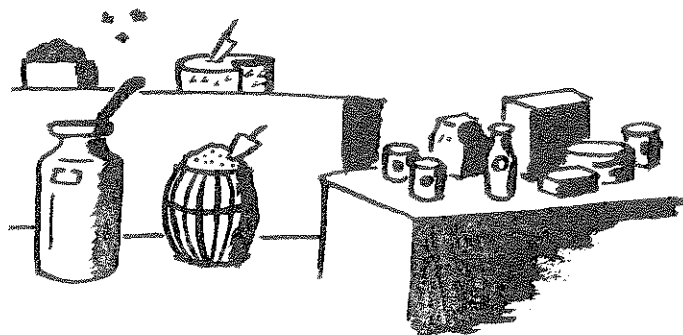
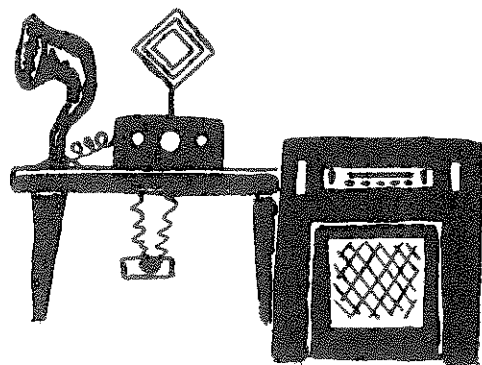


AUTOMOBILES have been reduced in price. Improved quality means better value -- and is the equivalent of a price reduction. A larger quantity at a lower unit price accomplishes the same purpose.

RADIOS have been reduced. It was only a few years back that a radio cost considerably over a hundred dollars, and its quality of reception was anything but what could be desired.

Now radios can be bought by fifteen-dollar a week clerks for less than the price of a week's wages.

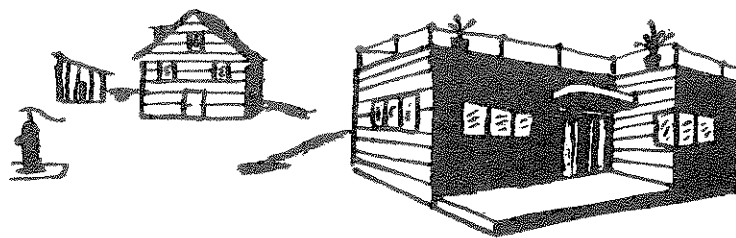
Research, inventive ingenuity, mass production, American initiative created low-priced radios.



FOODSTUFFS have been reduced. Large-scale farming, efficient middlemen, chain stores, advanced methods of canning and packing, nation-wide rail service -- all fields of individual initiative have bettered our foods and lowered their prices.

MECHANICAL CONVENIENCES and furnishings for the home cost less. Now the most modern type of equipment can be purchased, such as electric refrigeration, special lighting effects, all kinds of electrical appliances, and other conveniences -- at less cost.

To an increasing extent houses themselves will be built on moving factory belts, yet retain surprising individuality, when set up on plots throughout America.





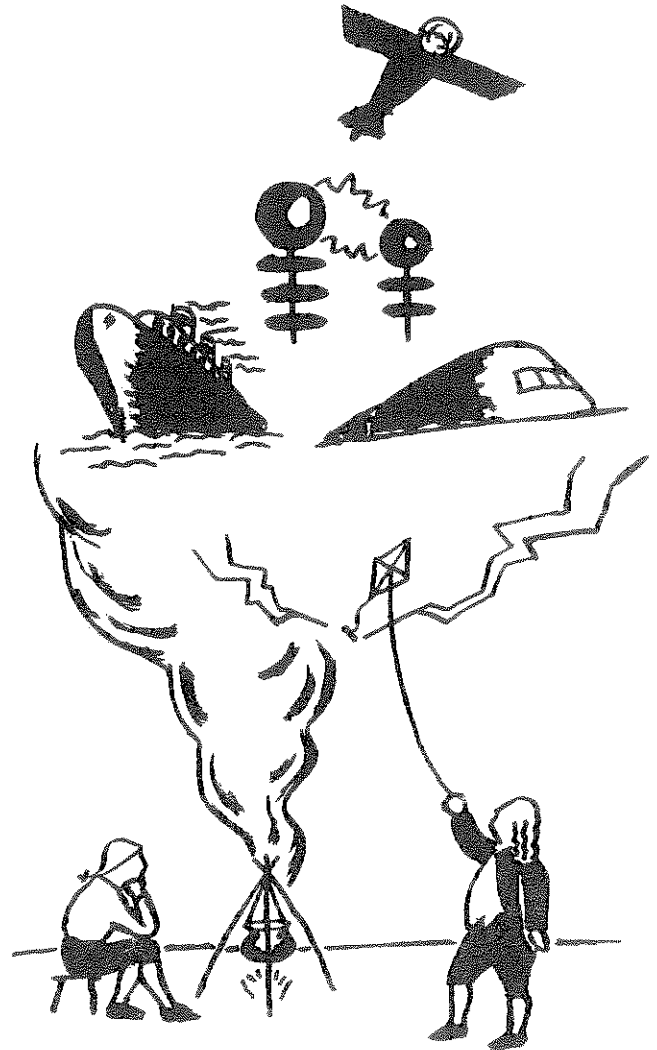
### AMERICAN EFFICIENCY

"All this was done through super-efficiency. If that's the solution -- well, we've done it before, and we can do it again."



### AMERICAN INVENTIVENESS

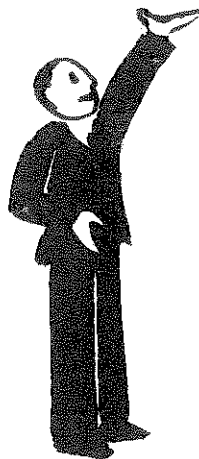
We certainly have done it before, Mr. Citizen. Just look at the strides we've made since the Industrial Revolution. We have no idea what all can be done with chemistry and physics. Not only in the field of material things, but also in the realm of health, Science is taking strides so far forward that life itself is being prolonged beyond the "normal" span through the advances of sanitation and medicine.

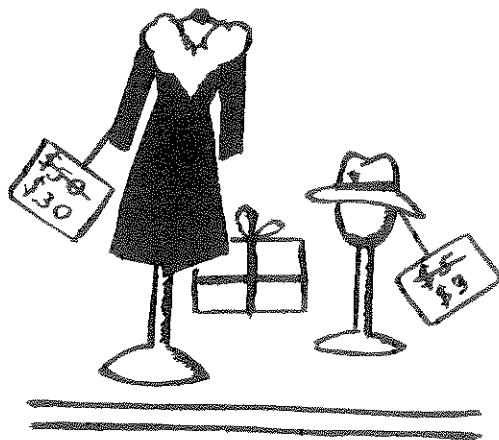


### MR. CITIZEN IS AGAIN ENTHUSIASTIC

"That's right. Much more is available today -- and at much lower cost. Perhaps I can buy that new car my wife says I can afford.

"America is a grand place. Invention, initiative, democracy. WE WILL HAVE THE MORE ABUNDANT LIFE AFTER ALL!"



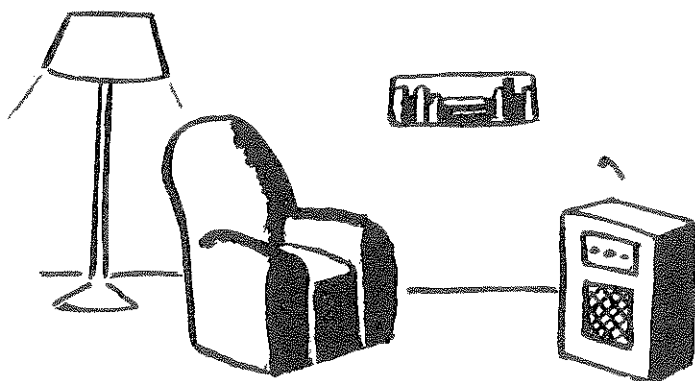
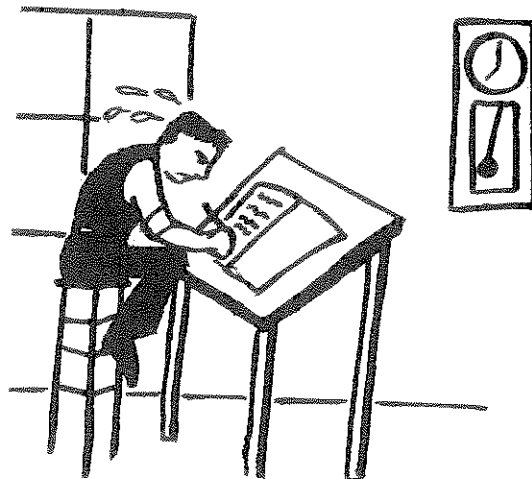


# BUT — THE ANALYSIS IS NOT COMPLETE

Just a minute, Mr. Citizen. Your emotions go up and down like those of many other complacent Americans. We're right back where we started.

Never before has the general level of prices been lower. American manufacturing, merchandising, and advertising have reduced prices. Automobiles, men's and women's garments, electric lights, radios, and many other articles have had their prices brought way down, B U T —

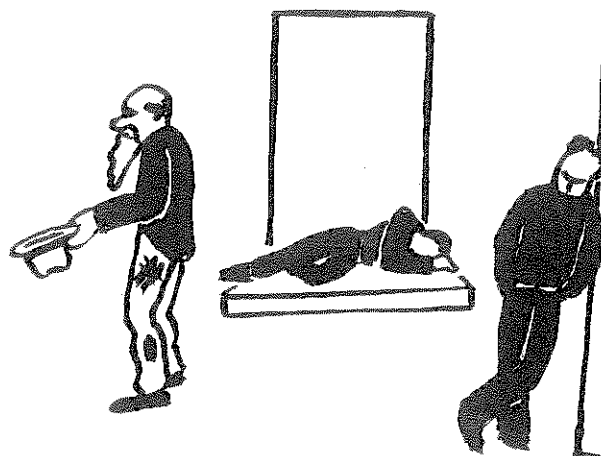
Never before was it so hard to find the means of making a living. Ten million people, more or less, unemployed since 1930 — and many of these unfortunates would be glad to have your job at LESS than you are getting.

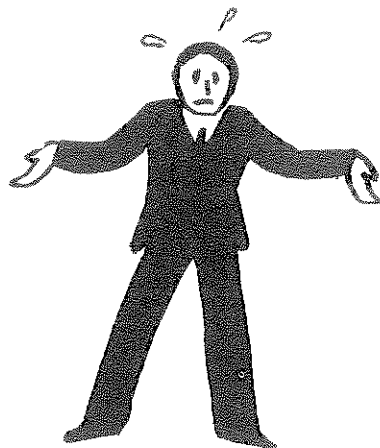


Never before were most comforts and luxuries of life so cheaply purchased, and so easy to produce. Your work day is shorter, your factories are brighter, the joys of hours for yourself and your family are greater, B U T —

Never before were there so many in need of relief. This is an ugly condition, Mr. Citizen. The man on the street who asks you for a cup of coffee may be a better workman than you. He may know your trade better. He would, perhaps, do your work for less.

So far as individual economy is concerned, let us grant that you may be better off. But in socio-political economy you are far worse off today because of the competition for your job.





#### THE SITUATION FRIGHTENS MR. CITIZEN

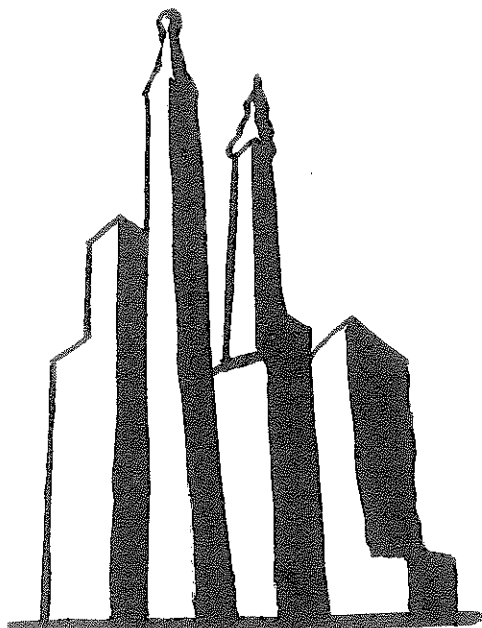
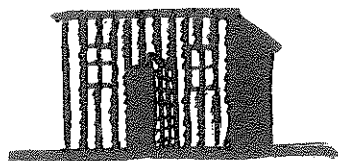
"With goods more abundant than ever, prices low, other men wanting my job -- why is this?"

"What do the economists know about it?"

"Why don't they do something?"

#### MR. CITIZEN LEARNS WHY HIS GRAND - FATHER WAS ALWAYS ABLE TO HAVE FOOD, SHELTER AND CLOTHING

A hundred years ago there wasn't as much produced as today, but with average earning power one could buy what necessities and comforts of life did exist -- and in those days in our young country most men had AT LEAST A SUBSISTENCE INCOME, and HOPE for a better future.



#### BUT TODAY

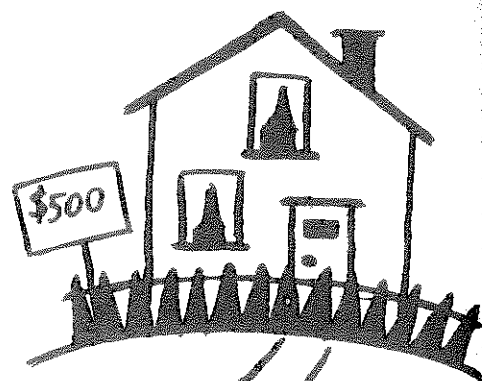
The income of the average citizen cannot buy in proportion to ALL the comforts and necessities produced. Production has advanced in quantity and quality far beyond that of a hundred years ago. The average incomes have decreased as a proportion, and in many cases decreased as a quantity. Most everyone could make a decent living THEN -- but TODAY millions find it hard to make a living at all.



And to assure a nation reasonable social health and stability such a condition cannot be permitted to continue too long.

## BROOKINGS IS RIGHT

Not enough people have enough money to buy the things they want. But what good does it do to lower prices? No matter how low prices are, people can't afford what they desire if they haven't sufficient income to buy their wants -- if incomes keep going lower with price reductions.



In hour rates, incomes appear to be higher. A man in the building industry may get \$1.25 an hour, against a similar worker of a hundred years ago at 25 cents an hour, but the modern craftsman does not work the entire twelve months of the year.

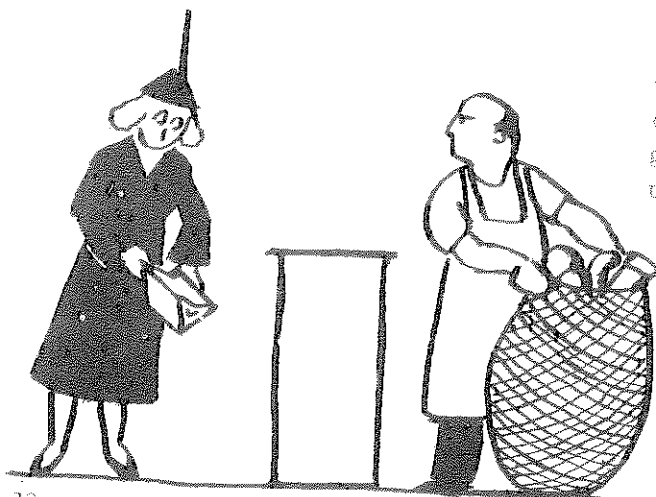
### BUT BROOKINGS SAYS:

Give more for the money. Illustrations cited are increased consumption of goods through giving better values, such as automobiles, paper toweling, dated coffee, rayon, electric bulbs, gasoline.

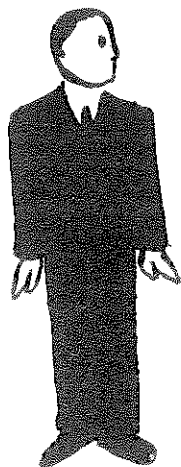
B U T --

While in many cases such as these the buying power of the dollar has increased, the total wages are much too small to provide buyers for the goods and services which modern technology can produce.

The demand exists, but one-third of the nation cannot meet the demand for its daily necessities, let alone what this huge group deserves in an age of potential plenty. And fear of the future among all all classes results in a harmful hoarding instead of helpful spending.





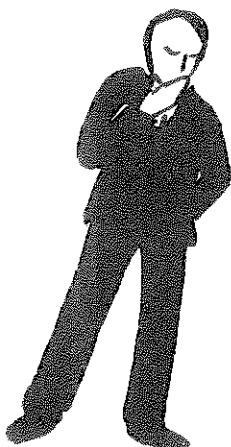
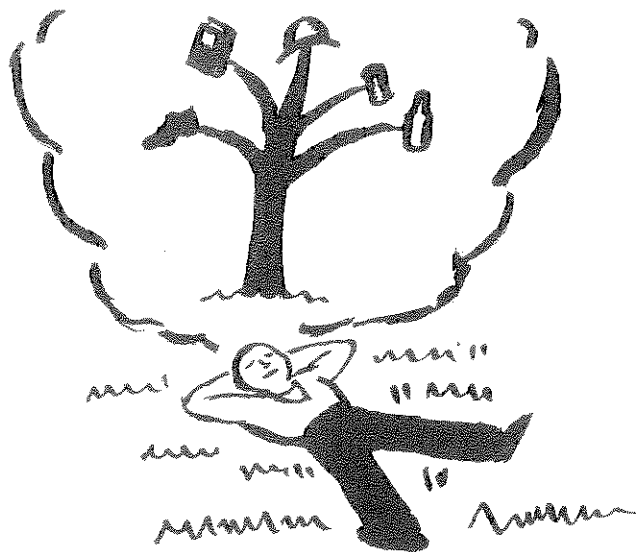


#### THE PROBLEM SNARED

"I see. It doesn't do any good to lower prices if buying power keeps going lower, too, which seems to be what is happening. With all this vast production of wealth, with the efficiency of machinery, why don't I get either higher wages, or increased buying power? That seems to be the problem."

#### WANTED: HIGHER INCOMES

That's right, Mr. Citizen. How can all this abundance be made available to the average man? Now, where do your wages come from? Where does your boss's profit (interest) accrue from? We know that we don't get the things we want simply by dreaming about them.



#### THE SOURCE OF INCOMES

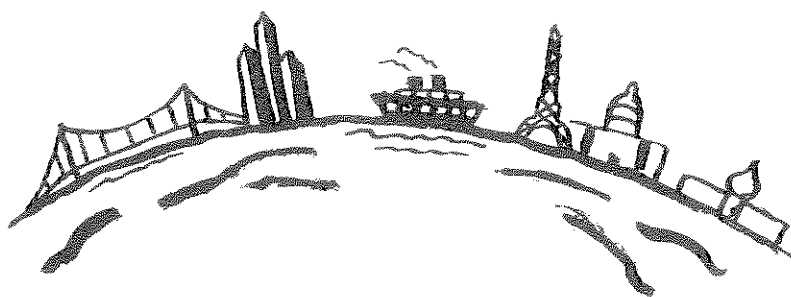
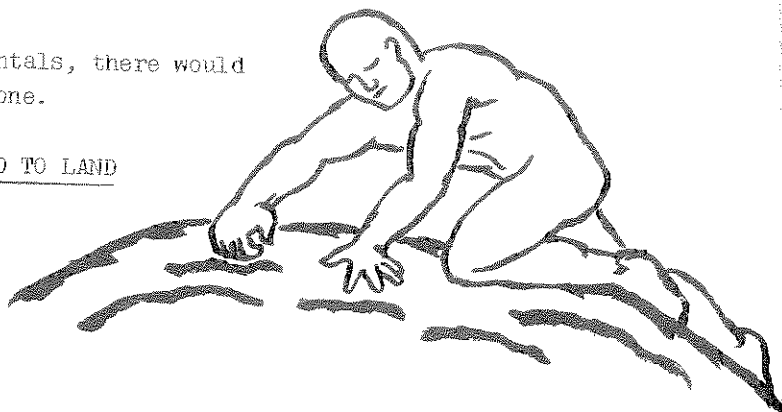
"Well, if I'm any indication of the average, I have to work for my wages. I get a pay-envelope every week, and I buy the things I want - that is, a few of the things I want."

Right! Coming down to fundamentals, there would be no incomes if no work were done.

#### ALL WEALTH IS LABOR APPLIED TO LAND

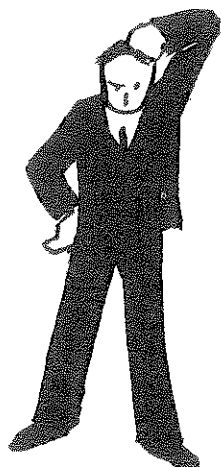
Everyone knows that all wealth comes from the earth. No matter how involved or intricate the process is toward the ultimate product, Labor can be applied to only one thing, and that is something which originally came from the land.

Anything which increased the cost of extracting that product from land reduces your wages and your boss's return on his capital.



#### THE GREAT WORKS OF MAN

See this abundance around us - all the complex producer and consumer goods of modern civilization - WHAT ARE THEY? They are nothing but the materials of Nature worked up into complex forms by human beings for the satisfaction of human desires.



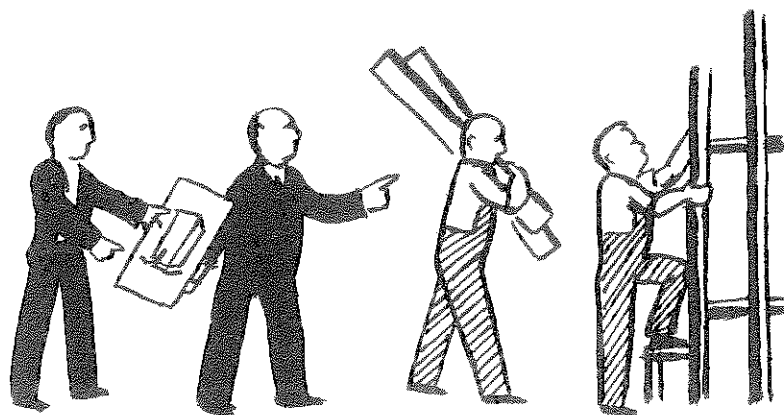
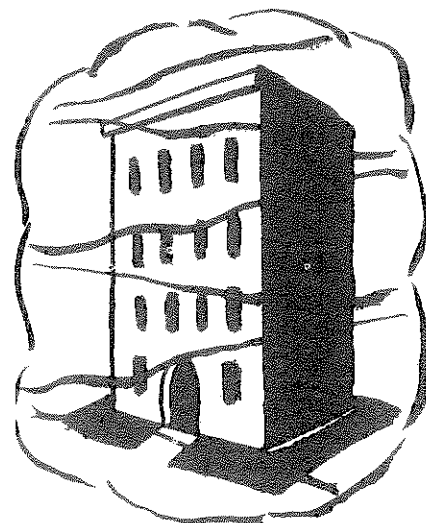
#### WHO GETS IT?

"Yes, I can understand that. I'm sure I produce a lot. Still my income is low. The more I produce the more I should get. Can it be that my employer is really getting all the rest? He is always telling us through notices in our pay envelopes and on the Company bulletin board that he is not making any money, either."

### HOW DOES PRODUCTION START?

Before we start accusing the employer let's see what happens when labor is "employed." Take an instance where a lot of labor is needed.

What is a house? At first an idea in the mind of the prospective owner.

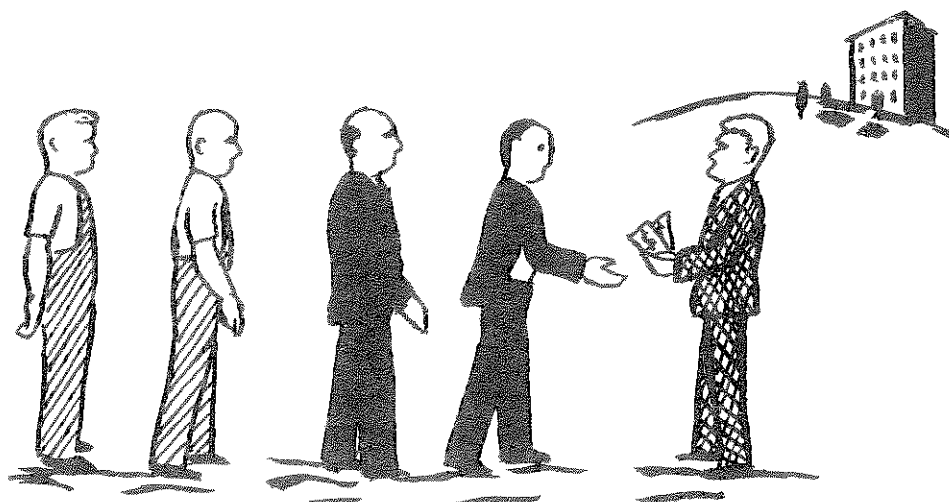


### EMPLOYER AND EMPLOYEE BOTH PRODUCE

He has an architect draw up plans, engages a contractor to buy materials, and get the structure under way. The latter calls in artisans to build it.

### A PROCESS OF EXCHANGE

He pays the men who contribute to the physical and mental task each has engaged in. He has really BOUGHT the building from them. What he pays, in fact, is a currency in exchange for the house built by them. That

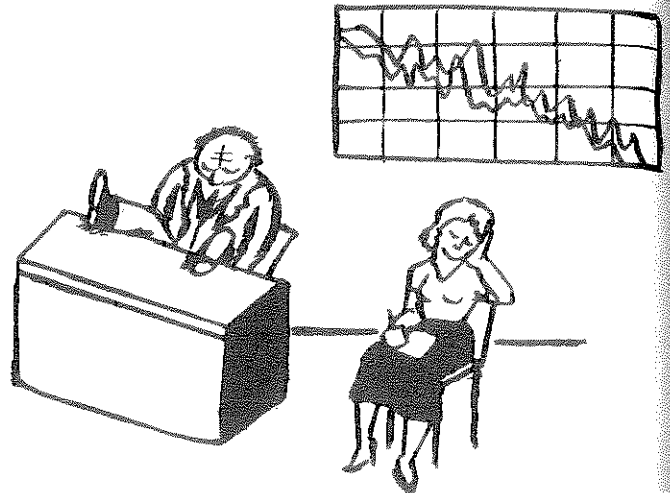


currency represents his own labor applied in order to buy the house.

This illustrates that the employer (capitalist) is on a par with the employee (laborer) and that the transaction is a matter of exchange.

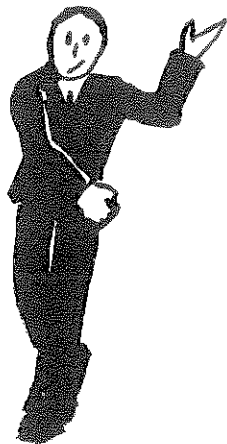
### IN THE SAME FIX

Add to this the fact that wages (the return to labor) and interest (the return to capital) fluctuate together. In good times both are low. Does the capitalist-employer, trying to improve his own lot, get a higher return. Both wages and interest are at low ebb today.



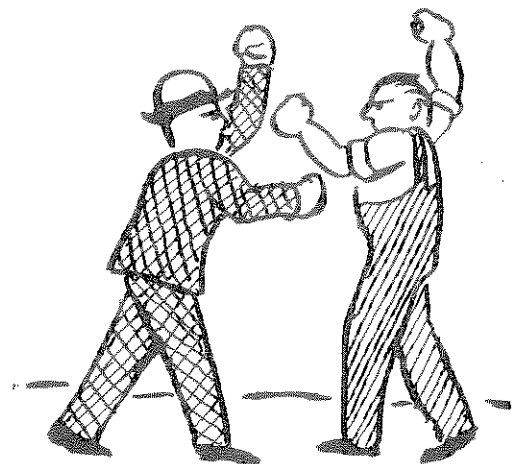
### WHY THE CONFLICT?

"But Labor and Capital are always at each other's throat, each trying to get more of the produce. What else is there? Somebody must be getting too much of the increase."

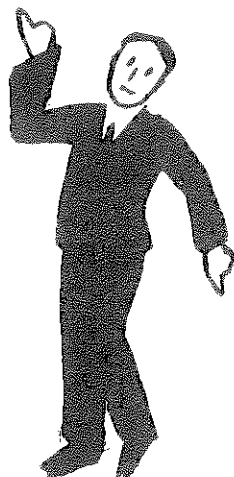


### SOMETHING BESIDES LABOR AND CAPITAL

That's the trouble. Labor and Capital fight over this return. Everybody takes sides in the conflict. And everybody forgets the first and most important factor in production.





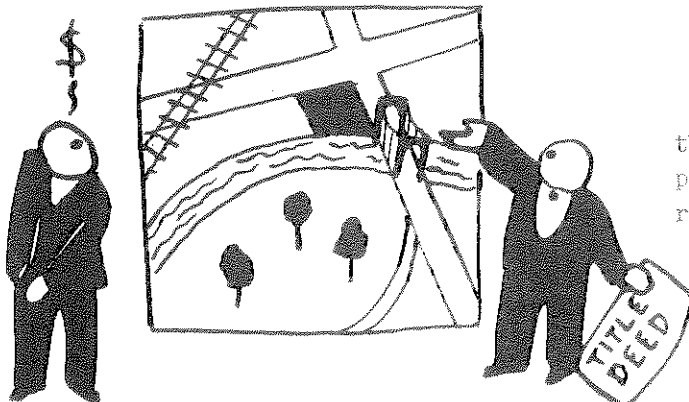
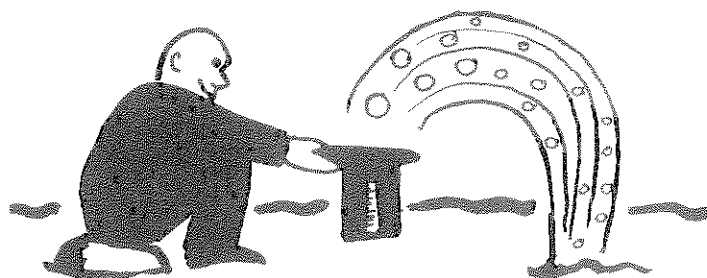


### THE FIRST FACTOR IN PRODUCTION

"You mean land! That's so. It is the most basic factor in the production of wealth. Without it nothing could be produced. But, land doesn't get an income, does it?"

### SITTING TIGHT

Yes, the landowner is able to demand a share of production - even if he does nothing but sit tight and wait, for sooner or later his land will be needed by an entrepreneur.

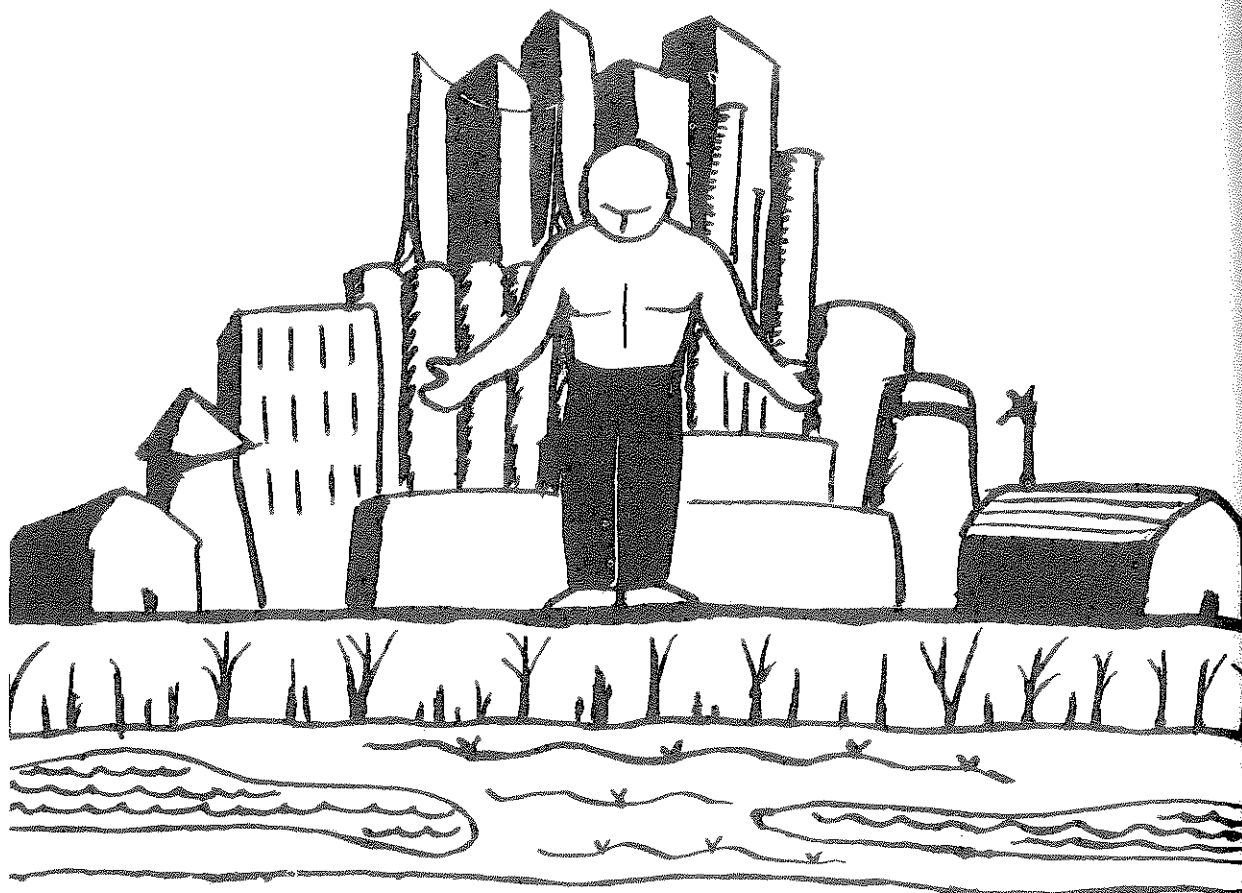


### TO LAND - RENT

The charge he makes for using the earth is called RENT. If he puts land to good use, he deserves reward as worker or investor, but as landowner how does he render any service to society by gaining title to a section of the earth's surface which would have been there - and perhaps put to better use - had he

never been born? Why should he have the legal right to collect from his fellow citizens a toll for the services which they themselves have rendered to him, either by their growth in population and enterprise or through the expenditure of local, state and national governments?

BEFORE GOING ANY FURTHER LET US SUMMARIZE THE FACTORS OF PRODUCTION AND DISTRIBUTION.



## THE SCIENCE OF POLITICAL ECONOMY

The science of the nature, production and distribution of wealth.

### ECONOMIC AXIOMS

1. Men seek to gratify their desires with the least exertion
2. Men's desires are unlimited

### DEFINITIONS

WEALTH: All material things produced by labor to satisfy human wants, and having exchange value

The factors in the production of wealth are:

LAND: All the material universe outside of man and his products

LABOR: All human exertion directed toward the production of wealth

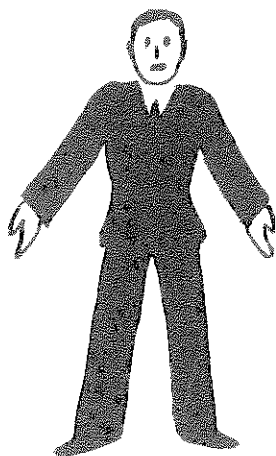
CAPITAL: Wealth used in the production of more wealth

There are no other factors in production, therefore no other economic avenues of distribution. Wealth is distributed as:

RENT: For the use of land

WAGES: For labor exerted

INTEREST: For the use of capital



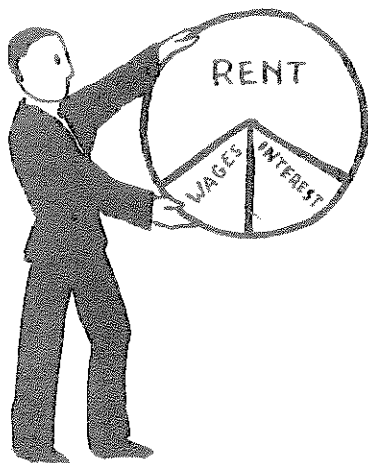
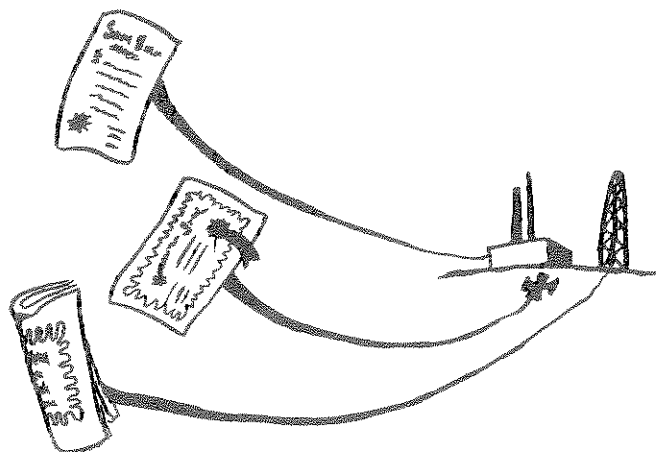
#### MR. CITIZEN IS CHARY OF SUCH A SWEEPING SUMMARY

Wait! That's a pretty big order to swallow. Wealth is distributed only in rent, wages and interest!? What about investment profits, dividends - returns on stocks, bonds and mortgages? What about taxes? What about theft and illegal monopolies?

#### GETTING INCOME DOWN TO FUNDAMENTALS

Taxes are drawn from each one of the three sources of income. Now what are stocks, bonds, mortgages? In themselves, nothing but fancy pieces of paper. They represent either Capital or Land: the holder of the paper has a claim on one of these things or both. If Capital, the return is interest. If land, the return is rent.

This being a dissertation on economics, we are concerned only with the factors in production. Illegal monopolies, theft, and gambling are matters of statute, not economics.



#### IS RENT THE CULPRIT?

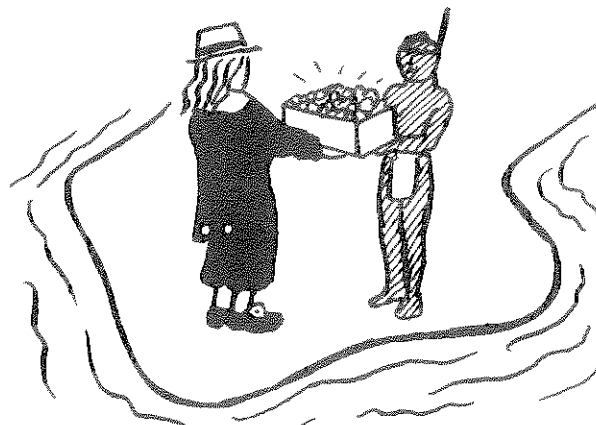
"Well, then, if wages and interest are both low, and RENT is the only channel of distribution, it looks as if RENT is absorbing too much of the increase in productive power - that both the capitalist and I, the wage-earner, are not getting a just return for what we put into production.

"But can this be?"

### MANHATTAN ISLAND SELLS FOR \$24

Let us take a typical example of the way distribution has been tending.

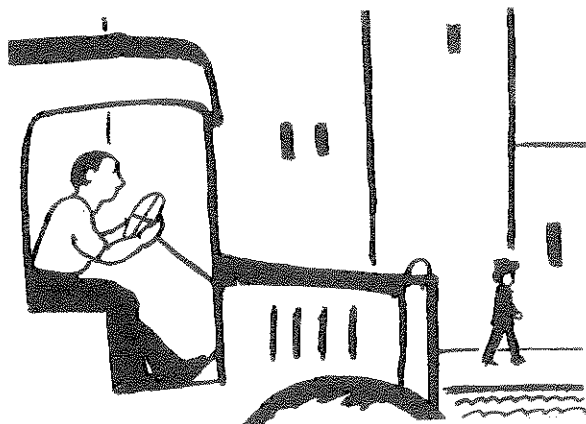
In 1623 Peter Minuit (representing a Dutch company) bought Manhattan from the Indians for \$24 worth of trinkets and a jug of "firewater."



### MANHATTAN, WHEN YOUNG

The first settlers of Manhattan could not produce very much, but everything they did produce with their labor and capital (tools) was theirs. Their income (wages from labor, and interest from capital) was 100% of the produce.

So RENT took nothing from them.



### MANHATTAN GROWS

Today laborers in Manhattan are much more productive, due to advanced methods of manufacture and merchandising.

Yet, though Capital and Labor produce so much more, they are not getting proportionately more (if any more) than the first settlers.

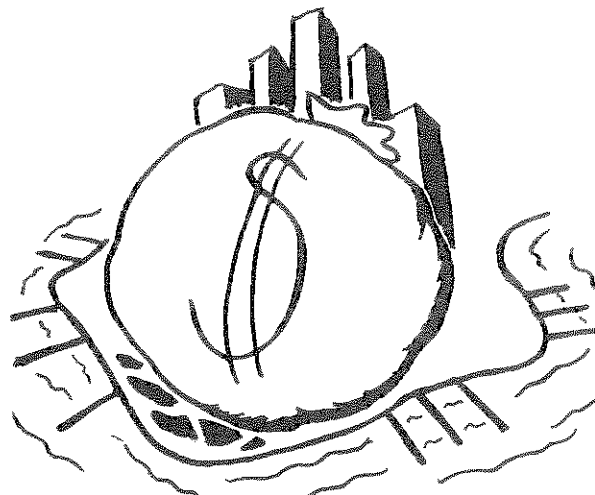
### AND RENT RISES

During these many years the land values of Manhattan have vastly increased. Today this island, not including its improvements, has an assessed valuation of \$3,925,339,460 (1939).

Here is where a part of Wages and Interest is being constantly appropriated. This condition holds true relatively throughout the civilized world.

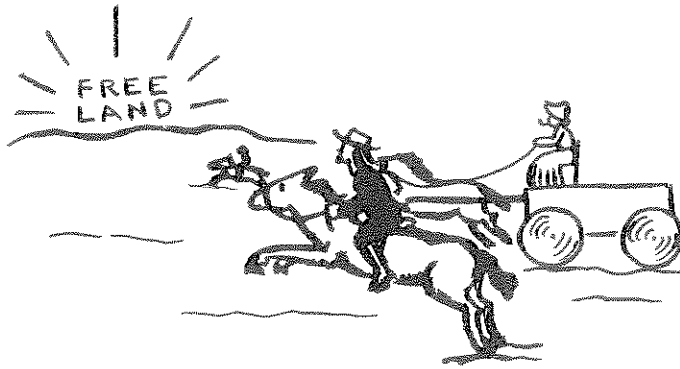
Example: Fifth Avenue's rise as shown in lot at Fifth and 93rd St. 100 x 150.

YEAR	VALUE
1840	\$ 200
1850	600
1860	10000
1870	37000
1890	104000
1905	430000
1920	515000
1925	565000





## THE MAGNETIC FRONTIER

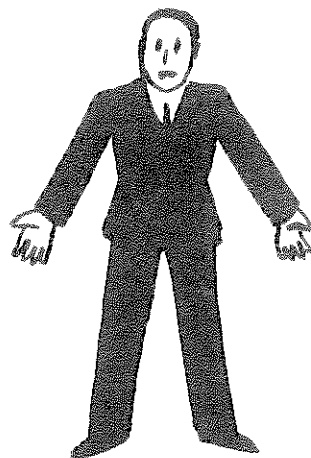
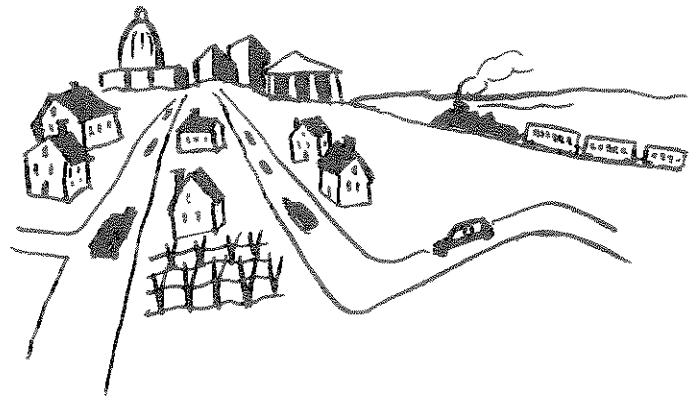


The lure of free land has always attracted pioneers in every age. Moses led the Jews into the Promised Land of freedom from Rent. Those who followed Columbus, Magellan, Sir Francis Drake, Sir Walter Raleigh, and countless other explorers who blazed in the Americas three, four and five centuries ago, came for new opportunities: to a land where unemployment and want had not already been created by the private appropriation of Rent.

## THE EVIL WITH THE GOOD

Unfortunately, these same pioneers brought to our country not only their bravery, ruggedness and daring initiative, but also the Old Country concept of land speculation.

For the great communities that have grown up from these early settlements show only too conclusively that the one income which has most steadily risen is LAND RENT.



## WHY DOES THIS HAPPEN?

"Why is it that the Rent of land increases as villages develop into towns, and towns into cities, and NOT wages? What is the alchemy that increases Rent -- and Rent, only?"

## RENT -- A MIRROR OF SOCIETY

Remember, Mr. Citizen, how important land is to production. Every productive effort requires land. The more productive, the more progressive people are, the more natural resources do they require: the more sites necessary for manufacture, transportation, and ultimate selling to the customer.

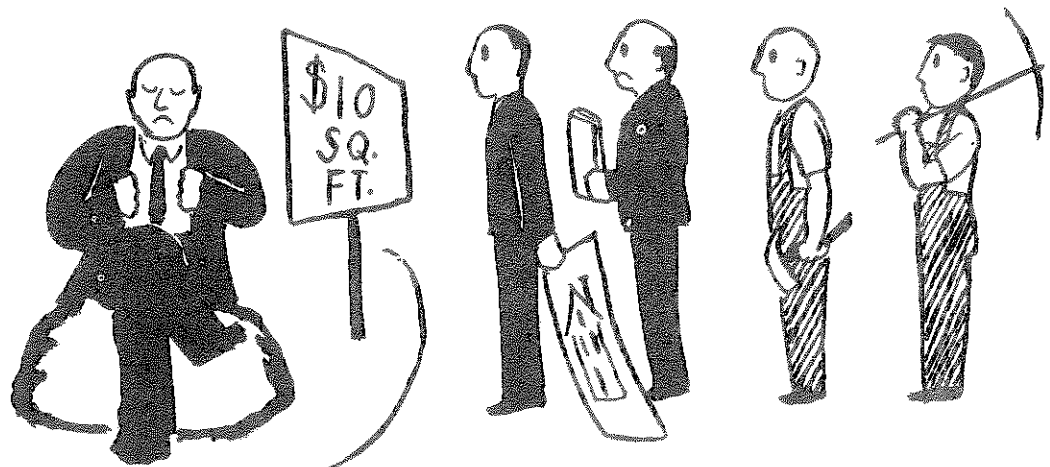
Therefore, as Society progresses the greater is the demand for land.



### DEMAND FOR LAND INCREASES RENT

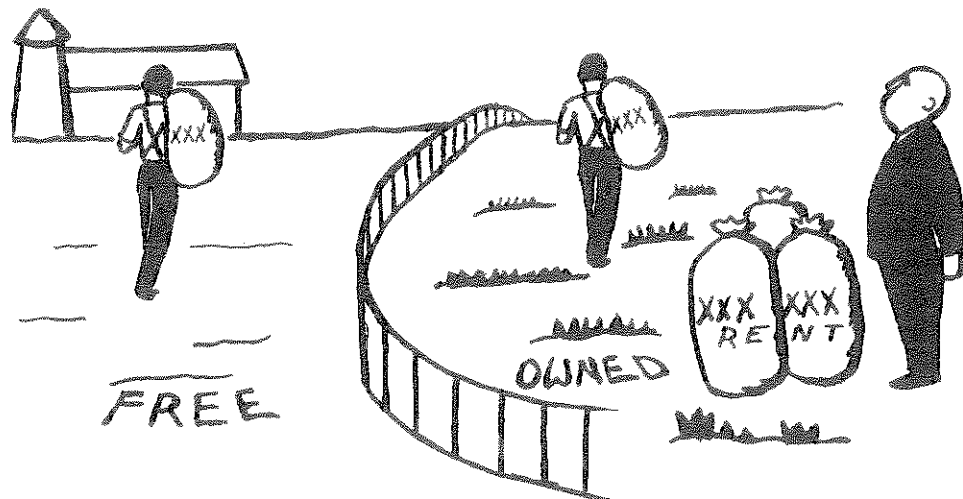
The greater the demand for land, the greater the value of land. Any improvement such as a bridge, abutting or near a strip of land that makes it more desirable as a place to live or work, increases the demand for that land, and increases its value. The man that has title to that land is always able to demand a high Rent.

John Jacob Astor said: "Buy land near a growing city -- buy at the fringe and wait."



### THE POWER OF LAND OWNERSHIP

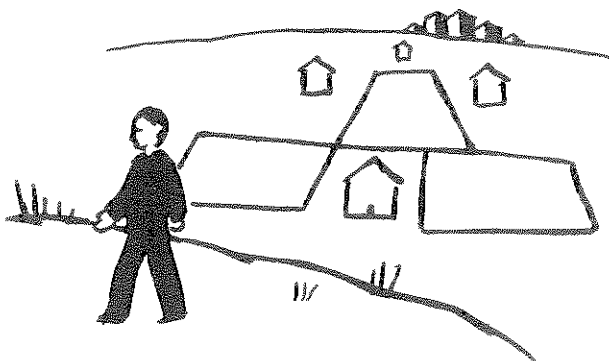
Landowners have known this throughout the centuries. Whether they lease or sell, they can always anticipate rising values, and on that incontrovertible fact, they can exact from the producers (Capital and Labor) a part of each of the latter's incomes. Landowners have perpetuated the fallacious argument that population pressure produces poverty, unemployment, and tangent ills.



### THE PREDICAMENT OF LABOR AND CAPITAL

Labor and Capital have only two alternatives: They must either work on whatever land they can get freely or cheaply, or else work on better land owned by someone else, and pay Rent. The landowner can claim Rent for all the surplus above what can be produced on free land. Capital, being stored up wages, in order to escape the increasing cost of Rent, frequently becomes a landowner, in order to command sources of supplies.

### RENT ABSORBS SURPLUS



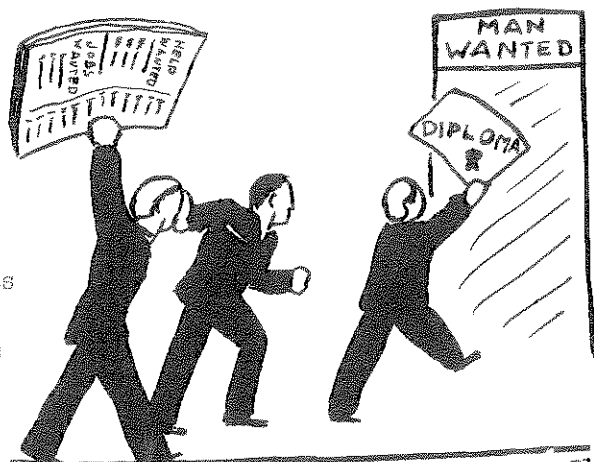
Today all good land is owned, and much good land is held out of use for a higher (speculative) price. Only very poor land is left for the landless. If the landless man wants to work on better land, and produce more, he would still get a low income and pay the rest in Rent. (One must not confuse agriculture and stock-raising as being the only basic occupations necessary to land. Every merchant, jobber, manufacturer,

professional man uses land. That is, besides paying for the use of the building in which he makes his product or renders his service, he must also pay Rent for the land under it.)

### COMPETITION FOR JOBS

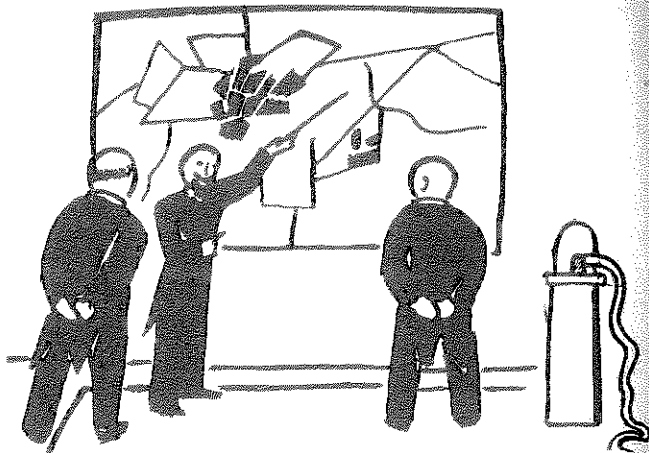
This is the reason for low incomes, unemployment, and cutthroat competition for jobs. Land held out of use prevents Labor from being employed, and Capital from using resources otherwise at its command.

Labor, thus barred from enterprise in its own right, crowds into the cities. In the stifled labor market, each man competing jobs pushes wages down.



### THE CAUSE OF DEPRESSIONS

Many enterprises that pass as legitimate businesses are chiefly land speculating agencies. These may be real estate companies, holders of oil, coal, and other mineral lands. These agencies (or persons) many times hold land out of use for a high price, preventing new productive enterprises with limited capital from being established, or old ones from being expanded.



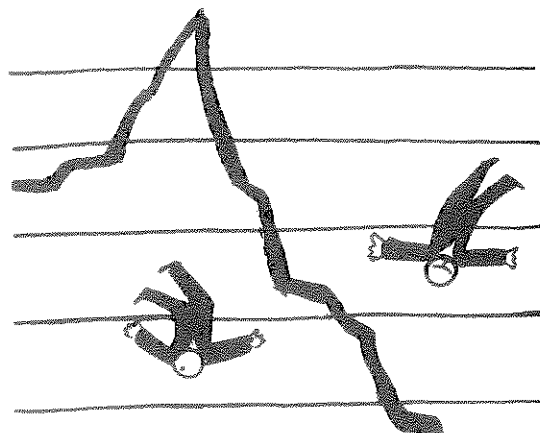
### BUSINESS ACTIVITY WANES

With production thus deadlocked, legitimate businesses already in existence find no markets for their goods. Thus develops an ever widening circle of sluggish business activity.



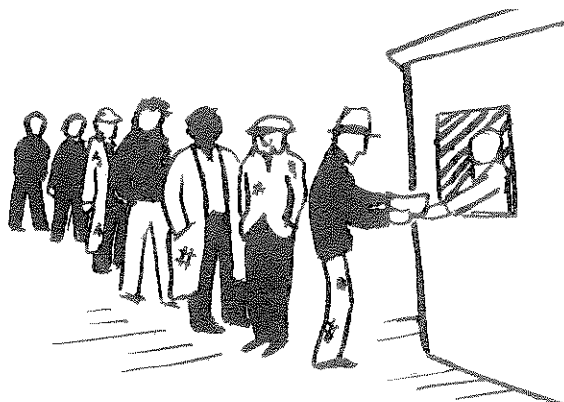
### THE CRASH COMES

Business is thus forced to a halt. Speculators, in the face of shrinking land values, madly rush to unload their holdings. A deflation is created, and the world suffers the shock of a crash.

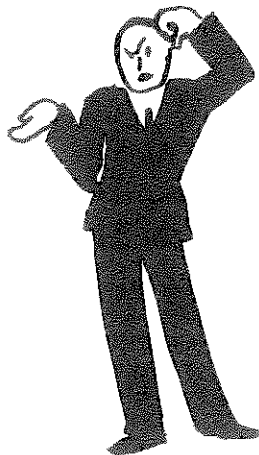


### THE DEPRESSION IS ON ITS WAY

Businesses are thus ruined, production shrinks, unemployment increases (beyond the chronic siege) and what we call recovery, when a business upturn takes place, is simply the road to another depression. So long as a man doses a cold with a nostrum he is merely plugging it. The same holds true in economics. So long as we apply palliatives to depressions, permitting the continuance of land gambling, the nation will be economically ill.







### CAN WE STOP IT.

"Whew. Scarcity of jobs and competition for them pushes wages down. But land speculation, you say, is the cause.

"But, what can we do about it. So long as man can speculate in land everyone will continue to do so, especially since people believe it assures them a rising income."

### THE WAY TO DO IT

Mr. Citizen, we can put an end to it by collecting the Rent of land, as a tax. If we stop the private collection of Rent, we stop land speculation. The reason people speculate in land is in the hope of collecting its Rent for themselves.

Public collection of the full Rent of land would leave no Rent for private speculators.

Rent expresses the full amount people are willing to pay for land. Hence, after the Rent is paid to the government, the landowner cannot collect an additional Rent from his tenants for himself.

In other words, the Rent-tax CANNOT be shifted by the landowner.



### MR. CITIZEN WONDERS ABOUT "ANOTHER TAX"

"That sounds like the only thing to do -- but wait!

"You're proposing ANOTHER tax, in addition to all the taxes we're loaded with today.

"Tell me, how can that improve conditions?"



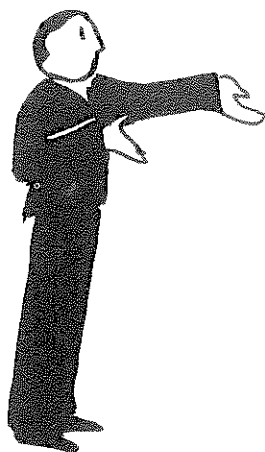
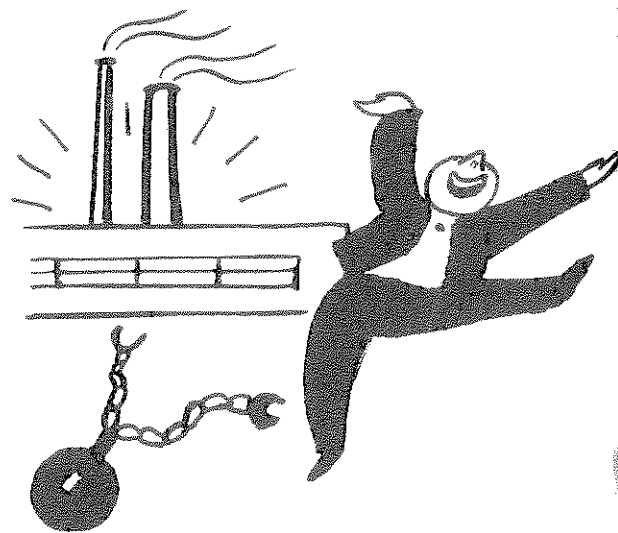
### NOT JUST "ANOTHER TAX"

No, this would not be an additional tax, for it would be unnecessary to have any taxes whatsoever on production and consumption -- on Capital, Labor, or the Consumer.

We are now taxed on everything from the cradle to the grave. Industry is hampered by taxes at every turn. By the substitution of a tax on land values alone, we would be collecting the Economic Rent that is SOCIALLY CREATED BY MANKIND IN GENERAL.

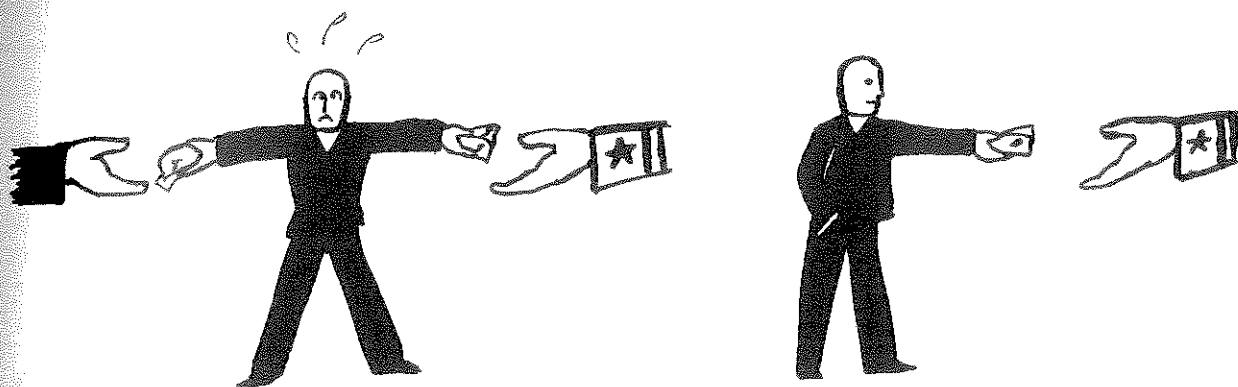
### RELIEF FROM THE BALL AND CHAIN OF TAXATION

Authorities disagree on the proportion of the national income paid in taxes. Their figures vary from 20% to 25%. Almost all taxes are shifted to the consumer, so down the line from manufacturer to final buyer is a series of taxes that must be collected. Think of industry and commerce relieved of that load. That's the real way to lower prices and increase purchasing power.



### OR IS IT RELIEF?

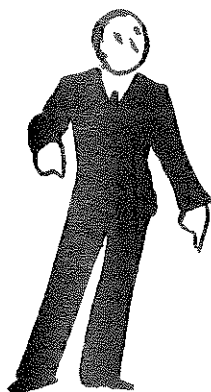
"But what sort of tax relief would the rent-tax be? That's merely lumping all taxes together into one tax. So I'd be right back where I was before -- as would every one else."



TODAY - RENT TO LANDLORD PLUS TAXES TO GOV'T.    PROPOSED - RENT AS ONLY "TAX" TO THE GOV'T.

Today we pay Rent to the landlord PLUS taxes to the government, some direct: Income, real estate, death, inheritance, gift, school, etc. Many of us are paying these indirect taxes, too: Tobacco, gasoline, alcoholic beverages, auto, theatre, service, general sales, custom duties, etc. We are paying taxes at almost every turn. Unfortunately, we are paying them in a form that lends itself to inequitable levy, expensive collection, and opportunity for graft.

Thus, if taxes were eliminated, we would do away with the multiplicity of bureaus, many of them useless and overlapping each other. (There are 175,000 taxing jurisdictions in the United States.) The scientific alternative is to pay a Rent-tax for the land. Land cannot be hidden, its quantity is fixed, its socio-economic value seldom deteriorates.

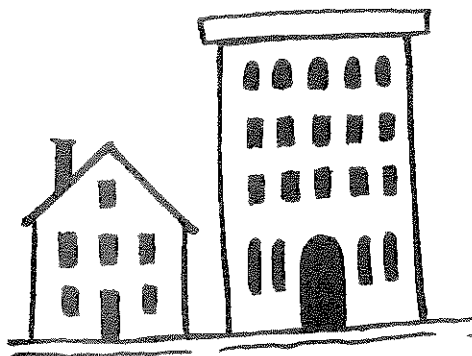


#### WHAT ABOUT THE HOME-OWNER?

"All right, all right. I admit all that. For the man renting a house, an apartment, a store, a factory this relief from taxes is fine.

But, what about the man who owns a farm, or a house in the city -- plus the lot that it's on? This man is the backbone of our nation's civilization."

#### TAXATION: SCIENTIFIC AND UNSCIENTIFIC



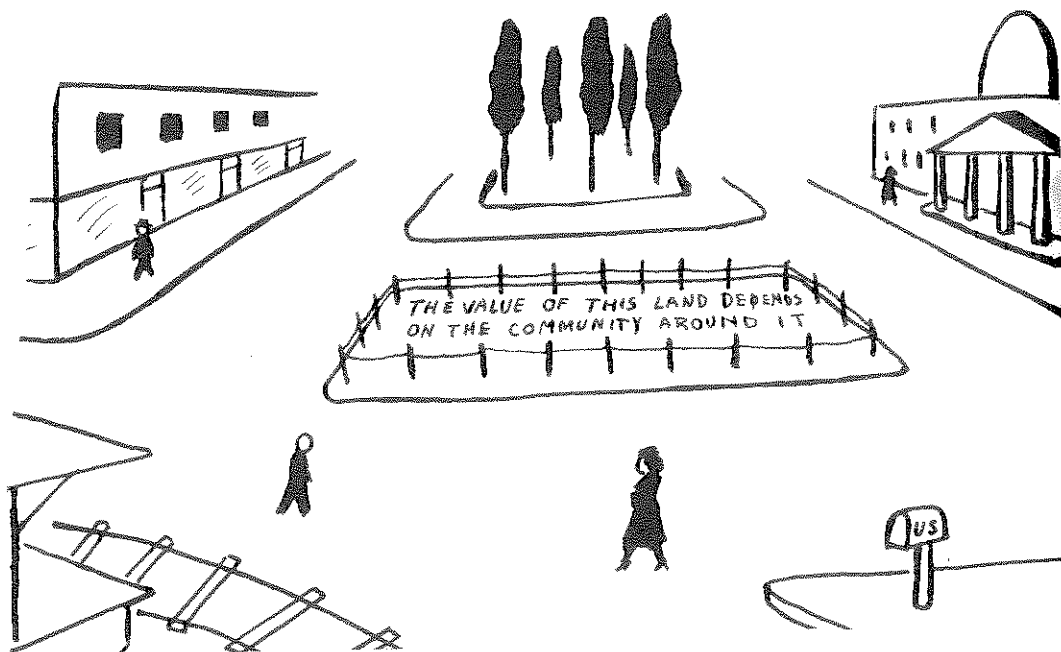
Today, both land and improvements are taxed. The more a man improves, the more he is penalized with taxes. A man whose house and land are both equal in value is taxed equally on both. One owning a house worth more than the land has increased wealth by this greater production, and is required to give part of it up in improvement taxes. A man who inadequately improves his land (or not at all) escapes improvement taxes, yet the site value may be as great as his neighbor's, and the city's services (water, sewerage, transit, etc.) available to the non-improver must be paid for by the improver -- the wealth-producer.

But with all the real estate taxes concentrated in land values, a man whose house is worth as much as his land would pay the same amount of taxes as today. If he improves his property he would have to pay much less than under our present unscientific system. Land-value taxation stimulates building.



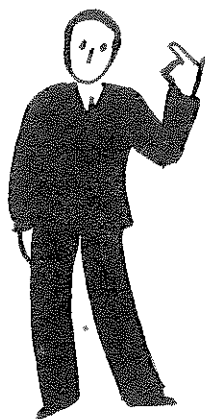
### IS IT A JUST TAX?

"That leads me to wonder whether the tax burden would be distributed justly. A man should be taxed in proportion to the service he's getting from the government or the community."



### JUSTICE IN TAXATION

Therefore, Mr. Citizen, the rent-tax is preeminently a just tax. The value of a piece of land in a community depends upon the existence of communal life -- parks, stores, transportation, etc. Rent expresses the demand of the people for the site where these facilities exist. The landlord who keeps his land idle does nothing, yet reaps in the rent created by the community. What is more just than to turn over this communally-created rent to the community itself (that is, to city, state, nation)?



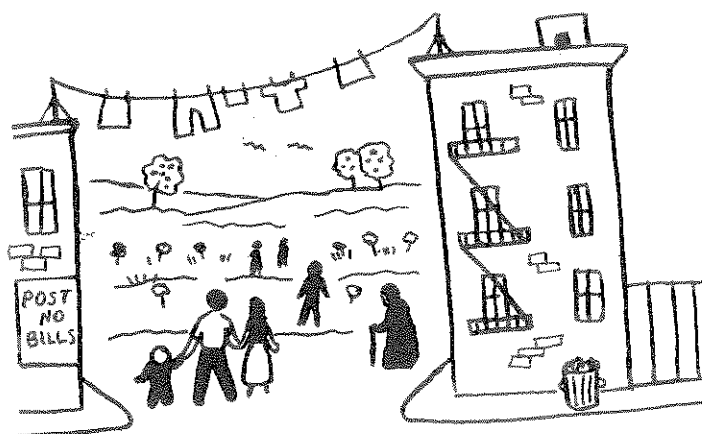
### WHAT ABOUT OUR ORIGINAL PROBLEM?

"I see. I'll admit now that the rent-tax is a swell idea..... But coming back to our original problem, how will this proposal raise incomes outside of the reduction of general taxes?"

### FREEING LAND FOR USE

With the Rent of Land collected, the speculator would not keep land out of use. He couldn't afford to. He would either use it or give it up by transfer of title to some one who could. In either case, better natural opportunities would be thrown open to Labor and Capital now struggling for existence. A farmer working marginal

land would seed good land formerly held out of use. A business which would normally work out from a city like New York, Chicago, Los Angeles, with vast transportation facilities, now forced to move South to marginal land (cheap rent area) because of present conditions, could operate from these strategic centers of trade, with the freeing of land.



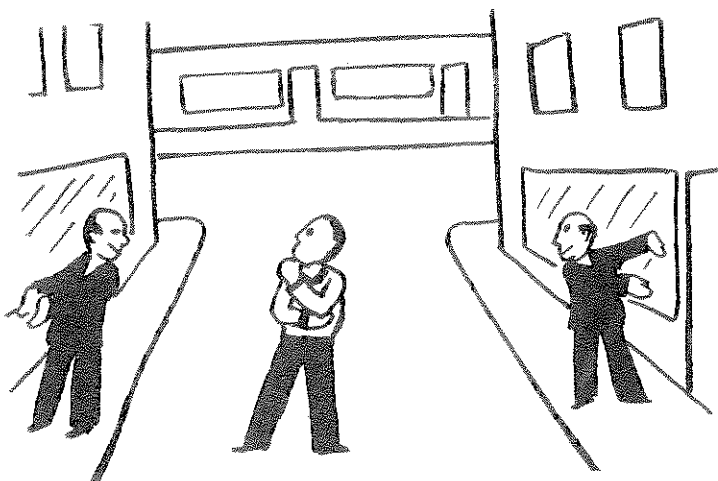
### GOOD LAND WOULD BE EASILY AVAILABLE

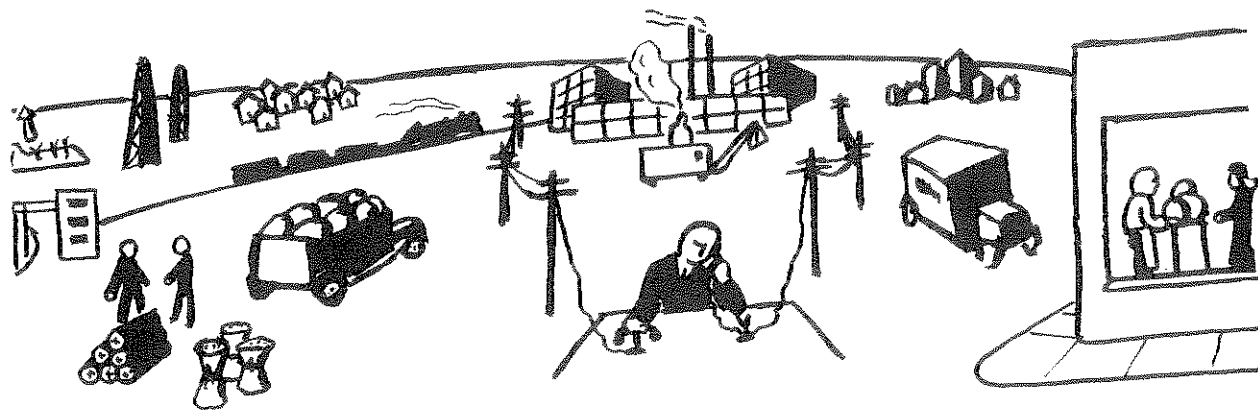
Land now held at exorbitant prices would shrink in selling price, and would thus cost less. People now crowded into cities would spread out and find suitable sites at reasonable rentals for business and residence.

### OPPORTUNITIES WOULD BE OPEN

With the speculative element in land eliminated there would be nothing to prevent the proper use of land. All good lands would be available to all productive enterprises. Think of what this would do to the demand for labor. In- of the man looking for the job, the JOB would be looking for the MAN. Capital would also be in great demand. Thus, WAGES AND

INTEREST WOULD BOTH RISE, as has always been the case when there has been abundant opportunity for the employment of Labor and Capital. The ridiculous and superficial friction now apparent between Capital and Labor would disappear.





### PERMANENT PROSPERITY

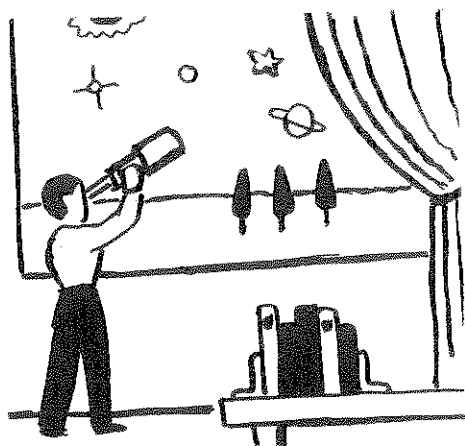
With land thus freed the strange paradox of idle land, idle men and wasting goods would no longer exist. The three factors, Land, Labor and Capital, would be brought together in harmonious union. Labor at work on land, receiving a just income, able to buy the goods it produces. Capital assured of constant return of interest because of the ability of Labor to buy.

### OUR PROBLEM IS SOLVED

The gap is bridged. We have found the way to make sure and secure to everybody the satisfaction of material wants. With the ability to produce permanently, and to receive higher, continuous wages, Man will marry at the normal mating period, children wanted will be conceived, and the danger of our declining birth rate will be averted.

At the other end of the life scale, the twilight period of Man, there will be a sufficiency from saved income to keep him comfortable in old age.

Man need never turn to the State for his material welfare. His achievements in life will lie within his own initiative and energy.

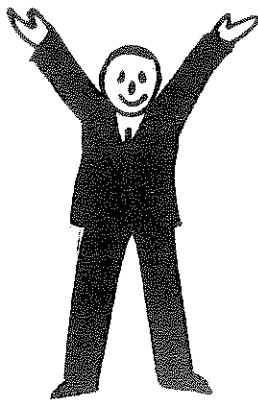


### NEW HORIZONS FOR MAN

Man will have more time to attend to his cultural and intellectual interests. The inventive genius of our industrial laboratories will be more fully utilized as Man, with his greater earned increment, is able to buy in accordance with his ability to produce. The untold marvels of the physical and chemical sciences are still ahead for him in greater abundance. But they are contingent on the Science of Economics, outlined in this book, being permitted of application by our law-makers.



### MR. CITIZEN IS NOW SURE OF HIS ECONOMICS

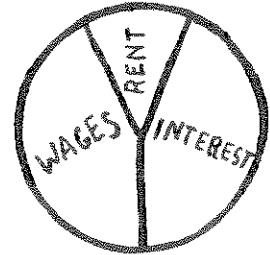


"It is certainly the answer to civilization's problems. With poverty and unemployment solved, what need will there be of war? What need for aggrandizement of other nations' lands? I can also see a sharp decline in crime. For surely, crime is chiefly the product of environment, and bad environment is the result of poverty.

"But -- but --

### THE USUAL LAST QUESTION

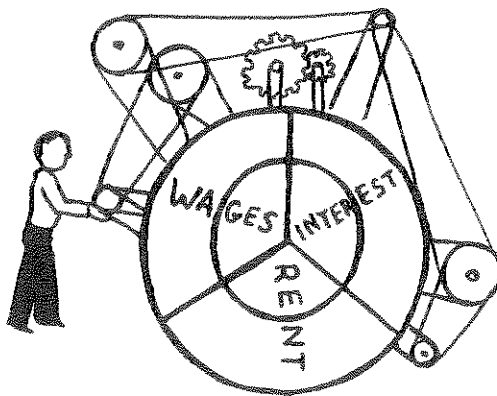
"If wages and interest go up, won't Rent go down to such an extent that it will not support government needs?"



### INCREASED PRODUCTION BRINGS HIGH WAGES HIGH INTEREST AND HIGH RENT

That would be true, Mr. Citizen, IF production remained the same. But with production greater, as we have shown is incontrovertible in this discussion, all return would be greater:

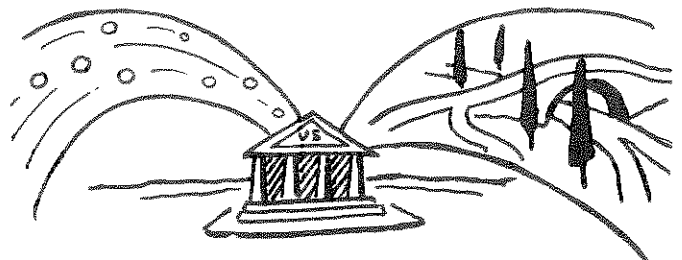
Wages  
Interest  
Rent -- all would rise.

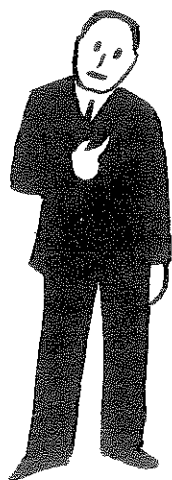


### A GREAT SOCIAL INVESTMENT IN MAN

We would then be able to use all the Rent for positive social good. With willing workers gainfully employed, the present day expense for relief would be reduced to a minimum.

The costly bureaucracy would dissolve since there would be nothing alive to support such a privilege. But public services would be increased far beyond the services of today. Besides libraries, high ways, protection of police, fire, and sanitation departments, it is believed by many that the collection of the Economic Rent would also make possible, after existing governmental indebtedness had been satisfied, the free use of transit, electric, gas and telephone services.



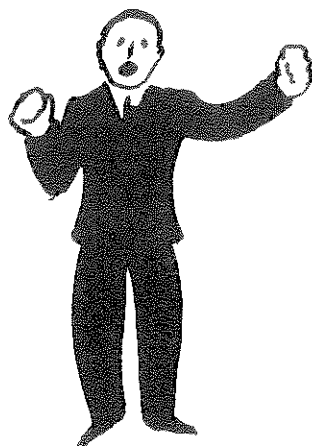
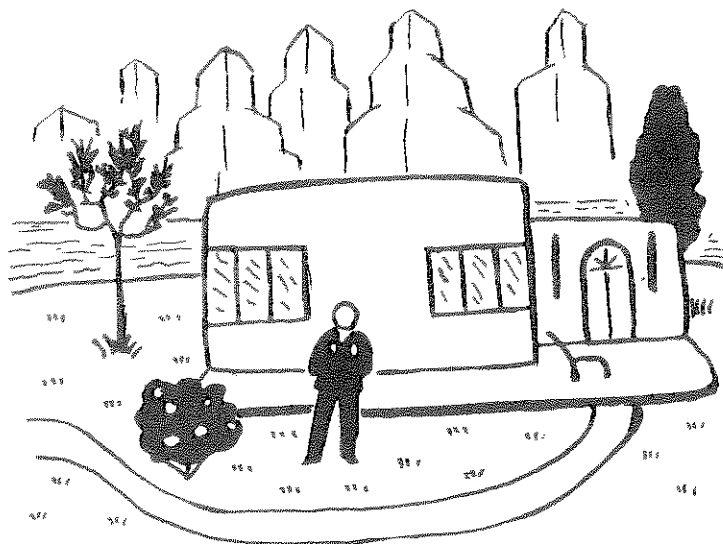


### MR. CITIZEN SEEKS HIS PLACE

"That is a wonderful picture of Society. But could you tell me how I fit into all this?"

### THE FREE SOCIETY

You, Mr. Citizen, I am sure, would be happy to belong to a free society where everyone had equal opportunities, and where the demand for your services would be constant. Not only would you be a life-long member of such a society, but you would be a free individual - not a mere cog in a social machine. The prospect of advancement through merit in any of the nation's big corporations, or of owning your own business, your home, and of living a fuller life, would be greater than today.



### H O W ?

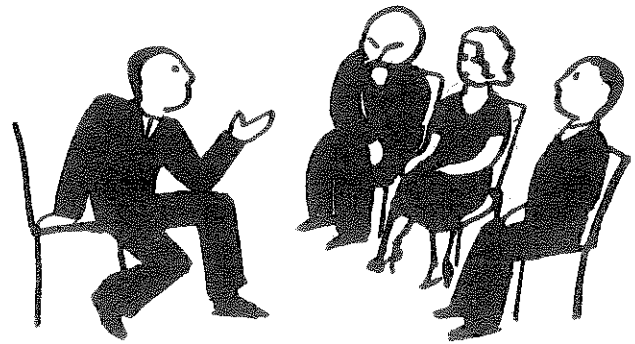
"That's what all we citizens want. But how are we going to put this into effect? What can we DO about it?"

### DEMOCRATIC MEANS

The free society can be achieved through democratic means, as all worthwhile reforms are achieved.

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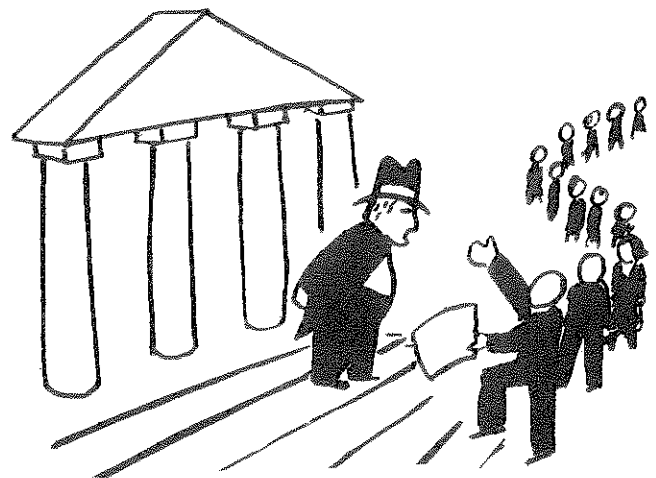
Means such as the radio, the motion picture, and parlor games can be used to demonstrate the natural laws of the science of economics.



### L E G I S L A T I O N

"Until there be correct thought, there cannot be right action. and when there is correct thought, right action will follow." (Henry George)

When there is a sufficient number of citizens to demand legislation, the first dramatic step will have been taken. Men now discouraged with the palliatives of our law-makers, perturbed over the collectivist trend of our nation, and imbued with the spirit of service, will help create and perpetuate the FREE SOCIETY



## EPILOGUE

Seeking a constructive comment from an authority in the fields of taxation and local government, the authors submitted the manuscript of the foregoing discussion to Harold S. Buttenheim, Editor of The American City.

"If I were to assume the role of another Mr. Citizen with the privilege of the final word," Mr. Buttenheim writes in reply, "I would end the debate on the following note:

"Although the solution of our economic and social problems seems to have been somewhat oversimplified in this admirable pamphlet, there is no doubt in my mind that the fairest possible sources of revenues for public services are the ground rents and unearned increments in land values which such services produce.

"Maybe if the entire world were to abolish all taxes and tariffs except the land-value tax - and abolish armies and navies, too - permanent prosperity and universal welfare would result as anticipated. But does the improbability of such a millenium mean that the whole argument falls? By no means!

"Let us not forget that through the ages great advances in human welfare have often been born of minority movements spurred by utopian ideals. Because a brave new world is not clearly visible at the end of our march is no justification for failure to advance.

"Whether the rest of the world ever follows our lead or not, can we not agree that much good would come to the United States by getting rid of the forms of taxation which handicap business and bear most heavily on the low-income groups? This need not involve the visionary hope of converting Congress and our forty-eight state Legislatures to a rational system of taxation in great simultaneous waves of reform, or that the voters and the Courts would all be swept forward by the same tides.

"The immediate need is for forward-looking men and women to unite in a nationwide campaign of public education on some such simple platform as this:

"The rental value of land results not from any services rendered by landowners as such, but from the presence of population, natural advantages of site, and the services of government. To pay for its services local government ought to depend on the fund thus automatically created. This could come about over a period of years by the gradual removal of taxes from buildings and other improvements and the transfer of these levies to ground rents and land-value increments. Construction and home ownership would thus be encouraged, employment would be stimulated, and the slums and blighted areas of our cities would increasingly disappear.

"If one progressive state out of the forty-eight could be found to try out the program, its success would cause the idea to spread to other states - and ultimately to other countries as well. To assure the greatest public benefits of this forward movement, it ought to be coupled with increased reliance on properly graded income and inheritance taxes as the main revenue sources of our state and national governments and the speedy abolition of sales and nuisance taxes. Thus our system of public revenues would have the two bases generally sought by economists - "benefits received" and "ability to pay." And if "benefits received," as exemplified in the full collection of ground rents, should ultimately prove ample for all governmental needs - local, state and national - the abolition of all other forms of taxation would be the natural and highly desirable outcome."



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The Landlord's Game and Monopoly  
Parker Brothers, Inc. New York, New York  
(Inquiries on these games should be addressed to the  
inventor, Mrs. Elizabeth M. Phillips, 2309 North  
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