Robert: Copy of a letter to Graham Hart of
Western Australia. Hope we will soon receive summer issue of HGI Journal.

Wednesday, 23 July

FW

Dear Graham:

    Unfortunately, I did not hear your address to the Centenniel Celebration. If you are able to send a copy of your talk, I would like to have it. The ideas which I expressed in my paper "The Single Tax Reconsidered" have been evolving in my mind over the past seven years.

    In shifting to rent as the source of public revenues, there will be a period of transition during which this objective is achieved by means of a tax upon land values. As other taxes are abolished, the land value tax will be increased until it reaches, as near as may be, the full annual value of the land. At this point, the selling value of land will disappear and, to quote Henry George, "... the charge made to the individual by the community for the use of the common property will become in form what it is in fact – a rent. But until that point is reached (emphasis is mine), this rent may be collected by the simple increase of a tax already levied in all our states, assessed upon the selling value of land irrespective of improvements.– a value that can be ascertained more easily and more accurately than any other value."

    Now, it is obvious that there cannot be a land value tax after land values have disappeared. But during the transition to the full collection of rent for community purposes, the charge to the landholder will be perceived as – and will in fact be – a tax upon land values. After all, will the charge not be levied against the assessed capitalized value (or selling price) of the land, at least initially? And after the reform which we support has been fully implemented, I would not really care whether we chose to call the charge made upon the landholder a rent or a tax. In the meantime, however, I believe that the term "single tax" is useful since it readily conveys the concept which we advocate.

    As for your comments on urban development, I would like to point out that land use in our cities leaves much to be desired precisely because of our ludicrous system of taxation. That 85% of the area of downtown Los Angeles is either paved over with roads and parking lots or supports aging, deteriorating buildings is not a condemnation of urban living – it is a condemnation of our policy of taxation.

    Were all taxes upon labor and capital to be abolished, you will agree that land values would increase enormously. The collection of the full annual value (rent) of the land by the tax authority of the community would then bring to bear upon the landholder tremendous incentive to maximize his use of the land – to bring the land into its highest and best use, or to relinquish it to someone who would. Were we to put this policy of taxation into effect today, within twenty years you would not recognize Los Angeles. The existing population would be accommodated in a fraction of the present area and mass transit would be a reality. People and their jobs would be much closer, eliminating time and energy wasted in excessive commuting. The city core would be much nearer the urban fringe, making it easier for people to leave the hustle and bustle of the city. There can be no doubt that cities such as Los Angeles, Phoenix, and Houston – which have largely grown up since 1950 – sprawl over a very much larger area than they would occupy had all taxation been concentrated upon land values. No, the urban "concrete jungles" of today are not fair representations of what cities would be like were society to establish itself upon an equitable basis by recognizing that the value created by the community ought to be collected for the use of the community.

    Generally, I agree with your comments upon the desirable scope of government. Since so many social problems would be eliminated by the reform which we advocate, many government programs and agencies would become unneccessary. The proper functions of government would become obvious and its ability to perform those functions would be vastly improved.

<div align="center">Sincerely,</div>

<div align="center">Frank D. Walker</div>

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