

Grace W. Pierce

July 27, 1944

Grace W. Pierce
Dunstable Farm
Dublin, New Hampshire

Dear Miss Pierce;

We are glad to have your letter of July 6 in which you ask, "If taxes are to be on land, what decides the amount of taxes?"

To begin with the tax will not be on land as such, but upon "land value", please note the difference, since there will be no tax whatsoever on land having no value. The value then as now will be determined by the open market. A city lot having a high value will have a high tax to pay, a farm with little or no land value will pay a little or not tax.

Again allow me to correct another impression that you seem to have regarding "the man who could pay the highest tax". I have never heard of anyone willing to pay the economic rent of land (not the rent for buildings) in other words the full land tax for any given piece of land unless he intended to put it to its fullest use. That being the case, people would not hold land idle with the result that there would be so much city as well as farm land available either free or at a low rental. Therefore no one could be deprived of the use of land, and since labor applied to land is the basis of all wealth there would be greater production and a wider and fairer distribution of wealth. Under such a plan there could be no unemployment.

The method for arriving at the value of the land would be the same as it is today. Real estate men and owners, buyers and sellers of land have for centuries found no great difficulty in arriving at these values, why should they not continue to do so in the future. Unused land, land held for higher prices, would very quickly be put to productive use, or be used for homes and farms under the Henry George plan. Only the poorer or marginal lands having no value would remain idle.

When my forefathers came to America in 1820, they found no unemployment because free or cheap land was available. Anyone who cared to work got busy and made good. They did not have to seek an employer. If I have failed to satisfactorily answer your question,

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it may be that I do not fully understand your inquiry, but be that as it may I am sure you would gain much by taking our free correspondence course, a first lesson enclosed herewith. In this way you can obtain a first-hand understanding of this great philosophy of freedom.

Sincerely,

Otto E. Dorn

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