

## Land views of classical liberals, contemporary libertarians, and other greats

The land question can be viewed quite simply. If, upon reaching adulthood, one does not have a *right* to land on which to live and from which to make a living, then one has no right to life. **Herbert Spencer** (1820-1903) made this quite clear in his **Social Statics** (1850; Chapter IX, "The Right to the Use of the Earth"), which is one of the most systematic developments of the traditional libertarian viewpoint regarding land.

5. Given a race of beings having like claims to pursue the objects of their desires; given a world adapted<sup>(9)</sup> to the gratification of those desires—a world into which such beings are similarly born—and it unavoidably follows that they have equal rights to the use of this world. For if each of them "has freedom to do all that he wills, provided he infringes not the equal freedom of any other," then each of them is free to use the earth for the satisfaction of his wants, provided he allows all others the same liberty. And conversely, it is manifest that no one, or part of them, may use the earth in such a way as to prevent the rest from similarly using it; seeing that to do this is to assume greater freedom than the rest, and consequently to break the law....
6. ... Supposing the entire habitable globe to be...enclosed, it follows that if the landowners have a valid right to its surface, all who are not landowners have no right at all to its surface. Hence, such can exist on the earth by sufferance only. They are all trespassers. Save by the permission of the lords of the soil, they can have no room for the soles of their feet...men who cannot "live and move and have their being" without the leave of others cannot be equally free with those others....
7. ... It may by and by be perceived that Equity utters dictates to which we have not yet listened; and men may then learn that to deprive

others of their rights to the use of the earth is to commit a crime inferior only in wickedness to the crime of taking away their lives or personal liberties.

When Spencer wrote about "dictates of Equity," he wasn't talking about a socialistic equality of outcome, but equal freedom for all. And the placement of the word "only" before "in wickedness" in that same, final sentence means it is a crime *not* inferior in *outcome* to the taking of their lives or freedom. (For a long time, I'd somehow assumed the word "only" was intended to *follow* "wickedness.") Neither is his second paragraph above a mere philosophical flourish, devoid of practical meaning. Part of what most of us pay for these days, as either purchasers or renters of land, is the right to exist — the ability to say, "I have a *right* to exist on this very spot of land." This means that the "right" to exist has been transformed into a privilege, and is no longer a right at all. And that portion of our rent that purchases our "right" to live in our own community grows greater with each passing year, just as rent takes an increasingly greater proportion of our income.<sup>[10]</sup> Why that is will gradually become clear later, in the sections on Adam Smith, John Stuart Mill, Mark Twain, and Winston Churchill.

Let's now consider another example. Picture a city slum. A plot of land lies idle for years, collecting trash. A man comes along, cleans it, builds on it, and begins using it to produce things people want. In a nearby courtroom, another man waves a piece of paper and gets police to arrest the first man and confiscate the fruits of his labor. Who is behaving criminally, and who is being wronged? As libertarians, we believe that the creator is the owner. But would your opinion be changed by learning that the piece of paper was a land title granted by the State, and the man who waved it was a land speculator, i.e., one who buys land not to use or develop, but as an investment?

Let's see what **John Locke** (1632-1704), the "Father of Property," might have to say about this example (**Second Treatise of Government**, 1690, paragraphs 32 and 31):

**As much land** as a man tills, plants, improves, cultivates, and can use the product of, so much is his **property**. He by his labour does, as it were, inclose it from the common... The same law of nature, that does by this means give up property, does also **bound** that **property** too.... As much as any one can make use of to any

advantage of life before it spoils, so much he may by his labour fix a property in; whatever is beyond this, is more than his share, and belongs to others.

Locke, apparently, would *not* side with the speculator, since the land in question was not being used. It's not a black and white issue, though, for who's to say what constitutes "making use" of land? (More on that later, in the "Anti-Rothbard" section, p.79.)

**Thomas Paine** (1737-1809), in his tract entitled **Agrarian Justice** (1795), bypassed such considerations by offering a simple solution to the problem of how to utilize the earth fairly.

It is a position not to be controverted that the earth, in its natural uncultivated state was, and ever would have continued to be, *the common property of the human race*. In that state every man would have been born to property....But the earth in its natural state...is capable of supporting but a small number of inhabitants compared with what it is capable of doing in a cultivated state. And as it is impossible to separate the improvement made by cultivation from the earth itself, upon which that improvement is made, the idea of landed property arose from that inseparable connection; but it is nevertheless true, that it is the value of the improvement only, and not the earth itself, that is individual property. Every proprietor, therefore, of cultivated land, owes to the community a *ground-rent* (for I know of no better term to express the idea) for the land which he holds... [emphasis his]

Paine then proposed to collect the rent nationally and distribute a small sum to everyone when they reach the age of 21, along with a yearly payment to those who've reached the age of 50, to cover their retirement. By this means of payment to the community, it would be rendered a matter of no concern to others what "use" anyone makes of his land (so long, of course, as that use does not pollute or otherwise damage his land or anyone else's).

**Adam Smith** (1723-1790), in **Wealth of Nations**, reached a similar conclusion regarding the community collection of ground-rents, on both moral and practical grounds.

The rent of land...is naturally a monopoly price. It is not at all proportioned to what the landlord may have laid out upon the improvement of the land, or to what he can afford to take; but to what the farmer can afford to give. (*Book I, Chapter xi, section a, paragraph 5*)

Ground-rents.. are a species of revenue which the owner, in many cases, enjoys without any care or attention of his own. ... Ground-rents...are, therefore, perhaps,

the species of revenue which can best bear to have a peculiar tax imposed upon them....

Ground-rents, so far as they exceed the ordinary rent of land, are altogether owing to the good government of the sovereign<sup>(11)</sup>... Nothing can be more reasonable than that a fund which owes its existence to the good government of the state, should be taxed peculiarly...towards support of the government....

Though, in many different countries of Europe, taxes have been imposed upon the rent of houses, I do not know of any in which ground-rents have been considered as a separate subject of taxation. The contrivers of taxes have, probably, found some difficulty in ascertaining what part of the rent ought to be considered as ground-rent, and what part ought to be considered as building rent. It should not, however, seem very difficult to distinguish those two parts of the rent from one another. (*V.ii.e.10-12*)

Clearly, Adam Smith thought that community collection of ground-rents to pay for government services was both reasonable and proper. Other famous libertarians were of like mind. Consider the following.

**John Stuart Mill** (1806-1873) got right to the heart of the matter by clearly establishing the moral basis of property rights, and pointing out the uniqueness of property in land (**Principles of Political Economy, 1848**):

The essential principle of property being to assure to all persons what they have produced by their labor and accumulated by their abstinence, this principle cannot apply to what is not the produce of labor, the raw material of the earth.... it would be the height of injustice, to let the gift of nature be engrossed by individuals. (*Book II, Chapter II, section 5*)

Whenever, in any country, the proprietor, generally speaking, ceases to be the improver, political economy has nothing to say in defence of landed property... In no sound theory of private property was it ever contemplated that the proprietor of land should be merely a sinecurist quartered on it.... When the "sacredness of property" is talked of, it should always be remembered, that any such sacredness does not belong in the same degree to landed property. No man made the land. It is the original inheritance of the whole species.... It is no hardship to any one to be excluded from what others have produced... But it is some hardship to be born into the world and to find all nature's gifts previously engrossed, and no place left for the new-comer. ... To me it seems almost an axiom that property in land should be interpreted strictly, and that the balance in all cases of doubt should incline against the proprietor. The reverse is the case with property in moveables, and in all things the product of labor: over these, the owner's power both of use and of exclusion should be absolute... To be allowed any exclusive right at all, over a portion of the

common inheritance, while there are others who have no portion, is already a *privilege*. No quantity of moveable goods which a person can acquire by his labour, prevents others from acquiring the like by the same means; but from the very nature of the case, whoever owns land, keeps others out of the enjoyment of it. The *privilege*, or monopoly, is only defensible as a necessary evil... When land is not intended to be cultivated, no good reason can in general be given for its being private property at all... (II. II.6) [emphasis mine]

Mill hits the nail on the head here, and shows why the Libertarian Party position on land ownership is wrong. It's a denial of the rights of some and the granting of essentially free, special privileges to others.

The ordinary progress of a society which increases in wealth is at all times tending to augment the incomes of landlords; to give them both a greater amount and *a greater proportion of the wealth of the community*, independently of any trouble or outlay incurred by themselves. They grow richer, as it were in their sleep, without working, risking, or economizing. What claim have they, on the general principle of social justice, to this accession of riches? ... I see no objection to declaring that the future increment of rent should be liable to special taxation; in doing which all injustice to the landlords would be obviated if the present market price of their land were secured to them. (VII.5)

...land-tax...ought not to be regarded as a tax, but as a rent-charge in favour of the public... (VII.6)

A key point that Mill recognized (highlighted portion above — my emphasis), but that most people do not, is that ground-rents tend continually to consume a greater and greater proportion of our increasing productivity. Why? Because as we exceed the baseline amount of wealth necessary to maintain our existence, we are increasingly able to compete with one another to rent apartments or to buy or lease land. Rents rise because people can afford it (Smith, Twain and Churchill make this point as well), while items not subject to natural monopoly do not (in fact, consumables tend overtime to decrease in price, as production methods continually improve). Thus, landlords tend to pocket most of *any* general increase in people's wealth (such as would arise from the abolition of the IRS and the federal income tax, as advocated by all libertarians — see p.91, "Tax cuts won't help..."). This point is made quite clearly by the next author.

**Mark Twain** (Samuel Clemens, 1835-1910), although not known for political writings, and not generally recognized as a libertarian, nevertheless wrote from a deep sense of justice, and is widely considered to be one of

America's most brilliant writers ever. He wrote a wonderfully cynical, short essay entitled "*Archimedes*," in which he lambastes unencumbered land ownership, demonstrating how such a system enslaves the majority of mankind. (He was a friend of Henry George, and this essay was originally published in the newspaper that Henry George edited, *The Standard*, on July 29, 1889.) It can be accessed on the Web site of the Henry George School of New York ([gopher://echonyc.com/lls/Cul/HGS](http://gopher://echonyc.com/lls/Cul/HGS)). Here is a portion of it. (Note: Archimedes is often credited with inventing a screw-type water pump, and for saying that, given a lever long enough and a place on which to stand, he could move the earth itself.)

...The force of land monopoly...is a screw and lever all in one; it will screw the last penny out of a man's pocket, and bend everything on earth to its own despotic will. Give me the private ownership of all the land, and will I move the earth? No; but I will do more. I will undertake to make slaves of all the human beings on the face of it. Not chattel slaves exactly, but slaves nevertheless. What an idiot I would be to make chattel slaves of them. I would have to find them salts and senna when they were sick, and whip them to work when they were lazy.

No, it is not good enough. Under the system I propose the fools would imagine they were all free. I would get a maximum of results, and have no responsibility whatsoever. They would cultivate the soil; they would dive into the bowels of the earth for its hidden treasures; they would build cities and construct railways and telegraphs; their ships would navigate the ocean; they would work and work, and invent and contrive; their warehouses would be full, their markets glutted, and the beauty of the whole concern would be that everything they made would belong to me.

It would be this way, you see: As I owned all the land, they would of course, have to pay me rent. They could not reasonably expect me to allow them the use of the land for nothing. I am not a hard man, and in fixing the rent I would be very liberal with them. I would allow them, in fact, to fix it themselves. What could be fairer? Here is a piece of land, let us say, it might be a farm, it might be a building site, or it might be something else — if there was only one man who wanted it, of course he would not offer me much, but if the land be really worth anything such a circumstance is not likely to happen. On the contrary, there would be a number who would want it, and they would go on bidding and bidding one against the other, in order to get it. I should accept the highest offer — what could be fairer? Every increase of population, extension of trade, every advance in the arts and sciences would, as we all know, increase the value of land, and the competition that would naturally arise would continue to force rents upward, so much so, that in many cases the tenants would have little or nothing left for themselves.

In this case a number of those who were hard pushed would seek to borrow, and as for those who were not so hard pushed, they would, as a matter of course, get the idea into their heads that if they only had more capital they could extend their operations, and thereby make their business more profitable. Here I am again. The very man they stand in need of; a regular benefactor of my species, and always ready to oblige them. With such an enormous rent-roll I could furnish them with funds up to the full extent of the available security; they would not expect me to do more, and in the matter of interest I would be equally generous.

I would allow them to fix the rate of it themselves in precisely the same manner as they had fixed the rent. I should then have them by the wool, and if they failed in their payments it would be the easiest thing in the world to sell them out. They might bewail their lot, but business is business. They should have worked harder and been more provident. Whatever inconvenience they might suffer, it would be their concern, and not mine. What a glorious time I would have of it! Rent and interest, interest and rent, and no limit to either, excepting the ability of the workers to pay. Rents would go up and up, and they would continue to pledge and mortgage, and as they went bung, bung, one after another, it would be the finest sport ever seen. Thus, from the simple leverage of land monopoly, not only the great globe itself, but everything on the face of it would eventually belong to me. I would be king and lord of all, and the rest of mankind would be my most willing slaves.

...The hell of poverty...is a whip more effective by far than the keenest lash of the chattel slave owner... What a beautiful arrangement—ambition urging in front, want and the fear of want bringing up the rear! ...

***Our current land tenure system is worse than a pure monopoly*** One truly brilliant aspect of Twain's example, and one that can easily go unappreciated, is that, as the earth's sole landlord, who'd *accept* the highest rental bid for any parcel of land, he'd be acting *better* than our current collection of landlords, because they, in many cases, are extremely wealthy speculators (such as media mogul Ted Turner) who regard land as an ideal long-term investment. As such, they will not sell their land, nor rent it, at nearly *any* price, thus depriving humanity of the use of desirable land, and increasing the competition for that which remains. Twain's landlord is no speculator.

Therefore, please do not say that land monopoly does not exist, and that we currently have a free market in land. Our situation is *worse* than the type of pure monopoly portrayed by Twain.

**Thomas Jefferson** (1743-1826), a veritable icon of the modern libertarian movement, was acutely aware of the injustice and social ills caused by land monopoly. The following is from a letter to James Madison, written from Fontainebleau, France, and dated October 28th, 1785.

The property of this country is absolutely concentrated in a very few hands, having revenues of from half a million of guineas a year downwards. These employ the flower of the country as servants, some of them having as many as 200 domestics, not laboring. They employ also a great number of manufacturers and tradesmen, and lastly the class of laboring husbandmen. But after all there comes the most numerous of all classes, that is, the poor who cannot find work. I asked myself what could be the reason so many should be permitted to beg who are willing to work, in a country where there is a very considerable proportion of uncultivated lands? These lands are undisturbed only for the sake of game. It should seem then that it must be because of the enormous wealth of the proprietors which places them above attention to the increase of their revenues by permitting these lands to be labored. I am conscious that an equal division of property is impracticable, but the consequences of this enormous inequality producing so much misery to the bulk of mankind, legislators cannot invent too many devices for subdividing property...

[He then suggests ending the practice of primogeniture and instituting progressive taxation of land.]

Whenever there are in any country uncultivated lands and unemployed poor, it is clear that the laws of property have been so far extended as to violate natural right. The earth is given as a common stock for man to labor and live on. If for the encouragement of industry we allow it to be appropriated, we must take care that other employment be provided to those excluded from the appropriation. It is too soon yet in our country to say that every man who cannot find employment, but who can find uncultivated land, shall be at liberty to cultivate it, paying a moderate rent.

But it is not too soon to provide by every possible means that as few as possible shall be without a little portion of land. The small landholders are the most precious part of a state.

**The Articles of Confederation** Given the views of Jefferson and Paine, it is not surprising that the original constitution of the United States of America, The Articles of Confederation (proposed by Congress, November 15, 1777; ratified March 1, 1781), specified a tax on real estate as the only means of funding the federal government. (Unfortunately, they included buildings and other improvements in the assessment, in addition to land



value. Collection was left up to the individual states, which failed for a variety of reasons to make good their obligations.)

Article VIII: All charges of war, and all other expences that shall be incurred for the common defence or general welfare, and allowed by the united states in congress assembled, shall be defrayed out of a common treasury, which shall be supplied by the several states in proportion to the value of all land within each state, granted to or surveyed for any Person, as such land and the buildings and improvements thereon shall be estimated according to such mode as the united states in congress assembled, shall from time to time direct and appoint.

I'd love to know the evolutionary history of this provision, and more especially the discussions that took place when it was scrapped for the current U.S. Constitution. Undoubtedly the landed interests and land speculators weighed heavily against it, and in favor of tariffs and a head tax, but I've never seen a treatment of this most interesting subject.

**Henry George** (1839-1897), an American social and economic philosopher, wrote the greatest selling economics book in history — *Progress and Poverty* (1879)<sup>{12}</sup> — and inspired the once-famous "Single Tax" movement of the late 19<sup>th</sup> and early 20<sup>th</sup> century. During his time, his movement was so successful that the Catholic Church felt threatened enough (for a variety of reasons) to excommunicate a popular and fiery priest who advocated George's ideas, and to publish an encyclical letter, *Rerum Novarum* (*On the Condition of Labor*, Pope Leo XIII, 1891) defending the status quo regarding land ownership, that can best be described as a second-rate hit piece. (For a fascinating account and analysis of this affair, see Mason Gaffney's short essay entitled *Henry George, Dr. Edward McGlynn, and Pope Leo XIII*.) While George and his ideas are unknown to most present-day libertarians, he was given considerable space in Charles Sprading's classic 1913 anthology, *Liberty and the Great Libertarians*.

The following quote is from p. 146 of Henry George's **Social Problems** (1882):

...the 'iron law of wages,' ... which determines wages to the minimum on which laborers will consent to live and reproduce...is manifestly an inevitable result of making the land from which all must live the exclusive property of some. The lord of the soil is necessarily lord of the men who live upon it. They are as truly and as

fully his slaves as though his ownership in their flesh and blood were acknowledged.

A few years ago I would have exploded at George's statement. "No," I'd say, "they're not slaves! They can start up their own company if they want to!" But let's say a group of such "wage slaves" at a steel mill decided to get together and actually compete with their current employer. Under our present system of natural resource ownership, even if they could attract the necessary capital, the owners of vacant land and untapped mineral deposits (coal and iron ore) would be under no obligation to sell at *any* price, especially not to a potential competitor (smart corporate executives usually try to monopolize the natural resources in their industry). And if other "wage slaves," such as they, were also bidding on the natural resources, including land, the prices would be high enough to seriously cripple their efforts. (In such a payment for access to natural resources, we see the fruits of labor flowing from those who work to those who possess a state-granted monopoly.) How free are the workers in such a situation? Free merely to choose their masters, because they essentially have no access to Nature's bounty.

*Playground analogy* But what right does one person have to tell another that any particular spot of the earth, which isn't being used, is off-limits? It's like a child who shows up at a playground one morning, is the first one in the sandbox, and tells other children who come by that it's all his because he got there first. If he's real smart, he might even try to charge them an admission fee — say, part of their lunch — to play in it. But the right thing would be for some adult to come along and say, "No, it's *not* all yours! If someone else wants to play in it, you only get to play in half. If a third person shows up, you only get a third. And so on!"

Obviously, though, an adult world and a free market could not operate with so restrictive a solution. Said Henry George:

It is not necessary, in order to secure equal rights to land, to make an equal division of land. All that is necessary to do is to collect the ground-rents for the common benefit. Nor...is it necessary that the state should actually take possession of the land and rent it out from year to year...as some ignorant people suppose. It can be done in a much more simple and easy manner by means of the existing machinery of taxation. All it is necessary to do is to abolish all other forms of taxation until the weight of taxation rests upon the value of land irrespective of

improvements,<sup>{13}</sup> and take the ground-rent for the public benefit. In this simple way, without increasing governmental machinery, but, on the contrary, greatly simplifying it, we could make land common property. And in doing this we could abolish all other taxation..." (Social Problems, p. 208).

More of George's ideas and writings will be presented in following sections (e.g., the section on Albert Jay Nock). But there's probably no substitute for reading his work firsthand, as it is the most comprehensive and masterful treatment of the subject. Personally, I found his **Progress and Poverty** (1879) to be, without question, the most important, astonishing, moving, and opinion-altering book I've ever read. (Lord Alfred Russel Wallace, codiscoverer of the theory of evolution by means of natural selection, called it "the most important book of the century," thus placing it above even Darwin's **On the Origin of Species**.) But there's no point quoting George at great length here, as the main focus of this essay is to make other libertarians aware that most *other* classical liberals, many current economists, and even some widely regarded present-day libertarians, are in agreement with him.

**Ayn Rand** (1905-1982) is one of the intellectual inspirations of the modern libertarian movement, but her views on the land question are, unfortunately, contradictory. She maintained that uncreated land claimed by an individual first user *should* be treated as that individual's private property forever, but that creations of an individual's intellect should *not* be. (One would think that the reverse would be more appropriate.) For example, in "The Property Status of Airwaves" (Chapter 10 in **Capitalism: The Unknown Ideal**) she comes down clearly on the side of treating land as completely private property, with "first use" being the hallmark of ownership, much like the current Libertarian Party Platform. For example, she states that ownership of the airwaves (broadcast spectrum) is no different in principle from ownership of land, and that "*if you want to make a limited' resource available to the whole people, make it private property and throw it on a free, open market.*" Her implicit endorsement of purely private property in land is therefore clear.

But in Chapter 1 of the same book, entitled "*What Is Capitalism?*", she took pains to distinguish between natural resources and man-made goods, italicizing the phrase "industrial plants" from the **Encyclopedia Britannica**'s article on capitalism, when it was listed along with land and

mines as "non personal means of production" or "capital." Apparently she recognized, at least during the writing of this essay, a meaningful difference between land and minerals, on the one hand, and industrial plants, on the other.

Similarly, in the book's appendix, entitled "*Man's Rights*," she argued against the 1960 Democratic Party Platform's proclamation of "rights" to man-made goods and services as follows:

Jobs, food, clothing, recreation (!), homes, medical care, education, etc., do not grow on trees. These are man-made values — goods and services produced by men. Who is to provide them? If some men are entitled by right to the products of the work of others, it means that those others are deprived of rights and condemned to slave labor.

But what importance might she attach to this distinction between man-made goods and things that "grow on trees"? We cannot conclude that she felt things in this latter category should be considered in any way common property. Had she been pressed on the point, she might, for example, have replied that while the creator is the proper owner of man-made goods, the sole prerequisite for ownership of uncreated, natural resources is first use. She studiously avoided the question of the morality or immorality of individuals claiming exclusive ownership of natural resources when they do so in a monopolistic way that infringes on the equal rights of others. She apparently thought the market would weed out monopolists and other non producers (from Chapter 10, regarding owners of the broadcast spectrum):

The fact that the number of available frequencies was limited would have served, not to entrench the original owners, but to threaten their hold, if they did not make the best economic use of their property... With a limited supply and a growing demand, competition would have driven the market value of a radio (and later, TV) station so high that only the most competent men could have afforded to buy it or to keep it; a man, unable to make a profit, could not have long afforded to waste so valuable a property.

Here she ignores the obvious fact, recognized by Jefferson in France (see his earlier quote), that those in control of limited resources are precisely those who *can* afford to hang onto their property without being efficient businessmen.

Ayn Rand's endorsement of land as private property is indirectly contradicted by her views on intellectual property rights (**Capitalism: The Unknown Ideal**, Chapter 11 — "Patents and Copyrights"):

The right to intellectual property cannot be exercised in perpetuity. Intellectual property represents a claim, not on material objects, but on the idea they embody, which means: not merely on existing wealth, but on wealth yet to be produced — a claim to payment for the inventor's or author's work.

But do not land rents and prices represent claims, exercised in perpetuity, on the productivity of the land's future users?

No debt can be extended into infinity.

But if we cannot owe someone in perpetuity for his own mental creation, how can we allow a perpetual debt to be owed to the appropriators, and the heirs of appropriators, of Nature's creation?

...But intellectual property cannot be consumed.

Neither can land.

If it were held in perpetuity, it would lead to the opposite of the very principle on which it is based: it would lead, not to the earned reward of achievement, but to the unearned support of parasitism. It would become a cumulative lien on the production of unborn generations, which would ultimately paralyze them.

(See the section "Clans A and B," p.77, for a description of just how paralyzed future generations might be by our current system of land tenure.)

... Consider what would happen if, in producing an automobile, we had to pay royalties to the descendants of all the inventors involved, starting with the inventor of the wheel and on up. Apart from the impossibility of keeping such records, consider the accidental status of such descendants and the unreality of their unearned claims.

Again, does not this unearned, accidental status attach more deservingly to descendants of landowners?

... It is in this issue that our somewhat collectivist terminology might be misleading: on the expiration of a patent or copyright, the intellectual property involved does not become 'public property' (though it is labeled as 'in the public domain'); it ceases to exist **qua** property.

Just as uncreated land should never be considered as ‘property,’ but, as Jefferson said, something which everyone has the right to use and enjoy the fruits thereof (the usufruct of land).

And if the invention or the book continues to be manufactured, the benefit of that former property does not go to the ‘public,’ it goes to the only rightful heirs: to the producers, to those who exercise the effort of embodying that idea in new material forms and thus keeping it alive.

Just as all the rewards of land users should go to them, and not to those who hold a state-granted ‘land title’ in perpetuity.

Another insight into Ayn Rand’s specific views on land were recently revealed in a brief memoir by John Hospers, entitled "Memories of Ayn Rand" (from *Full Context: An International Objectivist Publication*, May 1998). Hospers relates a phone conversation they had in 1961, shortly after he’d written to her asking about the case of Peruvian peasants who were forced to farm inhospitable land up in the Andes, while the wealthy Spanish descendants of the Conquistadors allowed their large tracts of low-lying, fertile land to lie fallow.

"Shouldn’t those large idle tracts be forcibly divided," I asked, "so that the native Indians would have a chance to survive?"

Hospers was arguing, implicitly, from our earlier-mentioned principles of equal rights to life, freedom, and the use of the earth.

"No!" Ayn exclaimed so loudly that I could hear the microphone rattle. "They can sell it off piece by piece until everyone has something!" she said.

She felt that the market would solve everything.

"But they choose not to do that — they want to hold on to these unused lands as a matter of personal prestige. They don’t care about economic development or the condition of the Indians."

Again, much as Jefferson surmised that the landed aristocrats in France were so wealthy that they didn’t have to care about their land’s productivity, nor about the fate of the peasants who wished to work but had no jobs or access to land, so they could work for themselves.

"After the war, MacArthur divided up the feudal estates in Japan in that way, and opened Japan up to democracy." But Ayn would have none of it: "That's land redistribution!" she said. "Coming from the Soviet Union, do I have to tell you about the evils of compulsory land distribution? You have been perverted by utilitarianism!" That stopped me. But I still wasn't convinced....

It seems to me that Rand was either never exposed to the classical liberal view about land ownership, or that she dismissed it out of hand. She seems never to have considered a middle ground between purely private and purely public property in land.

**The Bible** I can't help but follow atheist Ayn Rand's perspective with a biblical one. (And, whether or not one believes in God, and whether or not one accepts the Bible as a divine document, much of it is based on long years of hard experience, and it has much to tell us even as a secular document.) The Jewish and Christian religions are very much in line with traditional libertarian thinking on land, treating it as something we are meant to steward, rather than own. In the Old Testament, it was decreed that the land should be returned to the original possessor or his heirs every fiftieth year (the "year of Jubilee"), so that everyone would have roughly the same amount, and no source of permanent inequality would become institutionalized.

## **Moses**

And ye shall hallow the fiftieth year, and proclaim liberty throughout all the land unto all the inhabitants thereof: it shall be a jubile unto you; and ye shall return every man unto his possession. (*Leviticus 25:10*; King James version)

The land shall not be sold forever: for the land is mine; for ye are strangers and sojourners with me. (*Leviticus 25:23*)

**Jesus** In the New Testament, the parable of the talents (*Matthew 25:14-30*) may be relevant. A rich man, who had traveled away from home, rewarded those of his servants who'd stayed home and invested his money (talents) wisely in earning more money (i.e., analogously to someone using the land productively). On the other hand, he took back the single talent he'd given a servant who'd buried it (i.e., analogously to someone who keeps land idle), and gave it to those who were productive.

For a thorough treatment of Georgist congruence with Christianity and Judaism, I highly recommend Andelson and Dawsey's **From Wasteland to Promised Land: Liberation Theology for a Post-Marxist Era**. It contains a wealth of data about the history of land reform efforts in Central and South America, and presents a penetrating analysis of Christianity, Latin American-style.

**Frederic Bastiat** (1801-1850), a French economist who battled the socialists of his day, is another writer held in high esteem by libertarians. The following quotes are taken from a July, 1848 series of newspaper columns (or "letters") he wrote in response to a debate in the French National Assembly about a new, so-called "right" to employment. The following quote is from the third of these letters, which collectively form a chapter entitled "Property and Plunder" in a compilation of his essays (**Selected Essays on Political Economy**):

...as long as there is an abundance of uncultivated land in a country, the balance between reciprocal services [between laborers and landowners] will be maintained, and the landowners will be unable to enjoy any exceptional advantage. It would not be thus if the landowners succeeded in forbidding all new land-clearing. In that case, it is quite clear that they would be in a position to impose their own terms on the rest of the community.

He then refers to such a prohibition on the homesteading of unused land as "iniquitous." What would he say about the millions of acres of land in the U.S. that are held, unused, by speculators, purely for investment purposes?

Later on, analyzing the case where all of one island's land is privately owned, but a second island is discovered which is partly uncultivated, he writes the following:

But if, usurping the legislative power, the landowners prevent the proletarians from working for outsiders [those on the second island], then...they oppress others. They do what all licensed monopolists do, and as the landowners who prohibited new clearings did: they introduce into society a cause of inequality and poverty; they pervert the ideas of justice and property; they dig an abyss under their own feet.

Finally, in closing out this section, he states:

The right that must be demanded, because it is incontestable, inviolate, and sacred, is the **right to employment** in the true sense of the term, i.e., freedom, the right to



ownership, not of the soil only, but of one's labor, one's intelligence, one's faculties, one's person.... landed property is not a privilege; it is, like any other freedom, only man's **right to the fruits of his own labor.**" [underlining mine]

I do not wish to give the impression that Bastiat is in 100% agreement with the other classical liberals on this point, though, because he has been dragged there kicking and screaming. In his first letter, he set himself up in opposition to the notion that land rent contains any "unjust payment...not for a personal service, but for the gratuitous gifts of Nature." (He mentions that this is indeed the stated view of Adam Smith and David Ricardo, among other noted economists.) Not true, says Bastiat, so long as *some* good land, *somewhere*, remains free (freely available for anyone to use), and we are free to travel to that land, or to trade with people of that land, tariff free. To reach this conclusion, however, *one must completely ignore the often considerable cost of transporting ourselves and/or our goods.* He saw the United States as an area where land was freely available, and consequently seems to have viewed *all* land as essentially un-monopolized. And so he focused on ending tariffs and the other foibles of Big Government. Consistent with this interpretation of his position, Bastiat mentioned (toward the end of the fourth letter) the same co-existence of dire poverty amidst spectacular opulence that inspired Henry George's **Progress and Poverty**, but again laid the blame entirely on Big Government (licensing requirements, tariffs, taxation, regulations, bureaucracy, i.e., the usual suspects).

One of the intellectuals he was debating was Victor-Prosper Considerant (1808-1893), who responded in witty fashion to Bastiat's critique. (For example, he felt Bastiat had, in trying to summarize his views, put words in his mouth, and replied thusly: "*I, for my part, do not believe, and I do not even believe that I seem to believe, anything of the kind.*") I find myself liking Considerant very much, and find nothing in his statements that warrants Bastiat calling him a socialist, although he may have been<sup>{14}</sup>. Their repartee makes for amusing, as well as informative, reading. Considerant had made the very modest claim that industrialized society owed all people at least the same standard of living as they could achieve as savages with natural access to land for hunting, fishing, herding, etc. Bastiat replied that they got a much better standard of living as it is, and seemed to consider that the end of the matter (see the end of his first letter), as if all

advances in productivity could rightfully be claimed by landowners rather than the innovators or the community as a whole, and anything more than a savage's standard of living was a worker's unearned bonus! In Bastiat's defense, these were, after all, only newspaper columns, and he probably didn't have much time to reflect on them. And, sadly, he died not long thereafter (1850).

Thus, although he was reluctant to give ground to those, such as Considerant, who focused on land monopoly rather than government oppression as a source of injustice, I think it fair to place Bastiat near, if not in, the pro-LVT camp, where Locke, Smith, Paine, Jefferson, Mill, Spencer, George and the rest clearly reside. Only Murray Rothbard, and some other members of the Austrian school (of Economics — see the sections on Ludwig von Mises and Friedrich Hayek below), lie in opposition. (As we saw earlier, Ayn Rand was somewhat schizophrenic on this subject, seeming to be in both places. Also, see Dan Sullivan's analysis of the economics of Galt's Gulch as a Single Tax community, in his "Royal Libertarian" essay.)

Another French libertarian writer, a political philosopher, and much more recent than Bastiat — **Bertrand de Jouvenel** (1903-) — also weighed in on the side of treating land as fundamentally different than labor-created property (although he addressed it only in a footnote). De Jouvenel was given space in David Boaz's **The Libertarian Reader**, so his libertarian credentials are well recognized. The following selection is taken from Chapter 9 of his 1957 book, **Sovereignty**. The chapter is titled "Justice," and the section, "The share-out of the fruits within the team." "The team" refers to any group of people who are collectively engaged in entrepreneurial activity. The section deals with the natural, voluntary social forces at play, that tend to level out inequalities in pay arising from the different amounts of talent people have. (One such force is a feeling of comradery, which would tend to make the team members feel that large differences in pay were unfair.) The footnote mentions inequalities that are not natural, and he takes care to distinguish these improper (unjust) inequalities from proper ones.

It should, however, be mentioned that social arrangements may be such as to introduce inequalities which are not the natural result of the process of creation of resources. This is what happens when social elements allot themselves, or get

themselves allotted, important blocks of resources either because of the power they wield or in consideration of services which they are thought to render but do not render—or no longer render effectively. This is the phenomenon to which the word ‘exploitation’ is properly applicable...This phenomenon has played a large part in social history, where the inequalities created by it tend to be perpetuated almost indefinitely when the resulting privileged positions have taken the form of concrete rights over natural resources. Thus we see that rights created in the Middle Ages have governed down to our time the possession of certain lands on which stands the City of London. The example evokes the possibility of like effects resulting from the direct appropriation of natural resources, as in the case of the land on which Manhattan stands. Here we have causes of inequalities of a non-structural kind, in which the intervention of authority is not illegitimate.

**Albert Jay Nock** (1872 or 3-1945) authored one of the classics of 20th century libertarianism —**Our Enemy, The State** (1935). An introduction (by Walter Grinder) states the following:

Nock was quite influenced by the economic and land theories of Henry George and Theodore Hertzka. Some would say that these peculiar land ideas are absolutely essential to the thesis of Nock’s essay, and that they are also essential for gaining a proper understanding of Nock’s basic ideas on political economy.... Nock definitely thought that it did. ... Nock has been rediscovered by young libertarians mostly through the works and urgings of Murray N. Rothbard. While Rothbard is not strictly speaking a Nockian, the ideas of both Nock and Chodorov play a very important role in Rothbardian libertarianism. As Rothbard sees it, he has rescued Nock’s political philosophy from its contradictory Georgist underpinnings and has given it a sound foundation by replacing the Georgism with the "Austrian" economics of Ludwig von Mises and Friedrich A. Hayek.

But who is contradictory? Everyone else, or Rothbard and the Austrian School? See below.

Nock’s view of George’s ideas about land are, as Walter Grinder said, quite definite. To show Nock’s sense of the central importance of George’s ideas, consider the following, from Nock’s **Henry George: An Essay** (1939), p. 115, [speaking about George’s monumental work, **Progress and Poverty**]:

...it is the only book of which the author could say after eighteen years of white-hot controversy, that he had not seen a single objection to any position taken in the book which had not been fully met and answered in the book itself. Its reasoning has never been successfully impugned, and its economic premises are of course beyond question; they are a matter of common observation, common knowledge. Count Tolstoy said most truly that "*people do not argue with the teaching of*

*George; they simply do not know it: and it is impossible to do otherwise with his teaching, for he who becomes acquainted with it cannot but agree."*

While Nock considered George "the real thing" (p. 127, **Memoirs of a Superfluous Man**), it would be misleading to leave the impression that he thought George's prescription practical (p. 128):

Although I was, — and am, — a firm believer in George's philosophy and fiscal method, I decided that if progressive evolution was to make them practicable in fifty thousand years, it would have to step a great deal livelier than there was any sign of its doing.

Nock's pessimism regarding the intellectual and moral capacities of the masses led him to think that getting any government bureaucracy to function as intended would require "a society of just men made perfect," presumably because he hadn't conceived of a way in which to bring market pressure effectively to bear on such an institution. (But see the section "How would LVT work?" that begins Chapter 5.)

Nock's view of the land question, and his appreciation of the views of Jefferson and Paine, are clearly stated in **Henry George: An Essay**.

[summarizing George's view] Man is a land animal; he derives his sustenance only from the land; and if he be deprived of access to land, he perishes. Land is one of nature's free gifts, and each one has a right to the use of so much of it as may be needful for supplying all the wants of his existence, in so far as is consistent with maintaining the equal rights of others. The right to property in land differs wholly from the right to labour-made products, inasmuch as land is not a product of labour, (p. 103)

In America, the doctrine that the earth belongs only "in usufruct" to those who live on it, had long since been laid down by Mr. Jefferson; a doctrine which he said, "I suppose to be self-evident." Paine elaborated it as George did, drawing the same distinction between law-made property and labour-made property; and instead of George's ambiguous phraseology about "land-taxation" and charging "the expense of government upon our lands," Paine introduced the clear and correct term "ground-rent"; and instead of incurring the confiscatory implications of George's word "tax," he puts it precisely that ground-rent is a debt which every landed proprietor owes to the community, thus leaving clear the distinction between taxing (which in theory may or may not bear on production<sup>{15}</sup> but in practice invariably does) and rent-collecting, which does not bear on production. George was vaguely aware of some such distinction, and felt for it fumblingly and in many words; Paine put it clearly in two dozen words, (p. 105)

The most recent well-known libertarian to have extensively praised the concept of community collection of ground-rent was Nock's partner in reviving and editing *The Freeman*, **Frank Chodorov** (1888-1966). Also known as a die-hard individualist, his first book had the amusing title, **One is a Crowd: Reflections of an Individualist**. After having been inspired by reading Henry George's **Progress and Poverty**, he went on to lecture at, and eventually direct, the Henry George School of Social Science in New York City. Interestingly, he was forced to resign that position during World War II, due to his outspoken opposition to U.S. involvement in that war. This selection is taken from another of his books, **The Rise and Fall of Society** (pp. 104-109). I include the wonderful first paragraph to demonstrate his libertarian credentials to those unfamiliar with his writings, and because it sets up the distinction he later makes between taxation and rent collection. Also, because it is so wonderfully written.

State power is in direct proportion to State income. The more money the State has to do with, the more it will do; it is incapable of inhibiting its passion for power. A tax is a compulsory transfer of property from the producer to the ruler, and with the transfer goes the privilege of disposition. Even though the disposition of tax funds is circumscribed by law, it is still the State, not the original owner, who makes decisions. The higher the tax the narrower the scope of the producer's choices, and if all his earnings are taken from him — the Communist's program — he becomes completely dependent on the will of the legalized spender, even in the manner of how he shall live. Thus, the freedom of the individual is commensurate with the amount of his property he is able to dispose of, as he sees fit, and the power of the State is commensurate with its confiscations. And this is so even if the confiscated property is spent in ways that, according to the State, redound to his benefit. A well-kept slave is still a slave.

Nevertheless, there are these over-all or common services that enable a Society to grow both in size and in productivity, and these must be paid for. It is a poor environment, not attractive as a place to live in, and therefore not conducive to enterprise, where rivers of mud must do for streets, the outhouse is the only sanitation system, the well is the source of water supply. There is no question as to that. The only question is whether there is any means of paying for the services needed for growth other than taxation. Perhaps they can pay their own way, even as the elevator and the heating system in a large building are self-supporting. When we follow the growth of a prairie spot into a large city, step by step, we see that inherent in this development there is a source of revenue comparable to the services which make it possible.

Here, he begins an excellent description of where land values originate, and who properly owns them.

To the first pioneer, before there is a Society, the only consideration in the selection of a site to work on is the wages this particular piece of land will yield him for his labors. To him, this is the "best" land. There is plenty of this land around, and the second, third, and other immigrants are likewise concerned only with productivity. In due time, the influx exhausts the best land, and newcomers are compelled to work the second best. A differential in desirability has arisen because of scarcity. The best is better than the second best because the same amount of labor will yield more, and if the newcomers wish to work the better locations they will offer the first occupiers a premium for the privilege. They will offer to pay rent. All things considered, the rent they will offer to pay will be equal to the differential in yield.

So far, fertility determines the rent of land. But, when the population increases to the point where specialization and trade set in, a differential in desirability of locations arises that has no relation to crops. The blacksmith does not need an acre to ply his trade, only a lot, and the doctor needs even less space. On minute fractions of a farm, men produce goods and render services that are in considerable demand, and specialists in these lines bid high for these fractions. Their bidding is the result of crowding, and the crowding in turn is due to the concentration of population in the area of these sites. Thus comes Main Street, with its general store, its hotel, its theater, and its library.

Main Street is not merely a thoroughfare. Here one can enjoy the pleasures of social life, here one can produce things of value, here one can put one's savings to productive use. It is more than a location; it is an opportunity to render and to receive services. The opportunity is sought after, and the intensity of desire for sites on Main Street fixes rental value. The bids do not represent a charge on the occupier's income, wages on his labor, or interest on his investment, but rather measure the opportunity which the desired spot will give him to work and to invest his capital. It is for the opportunity that he is willing to pay a share of the production made possible by the location. The opportunity costs him nothing, because if he did not apply his skills and his capital there, if he were compelled to locate "off the beaten track," his returns would be commensurately less. If he has rare skill to offer, like singing, it is necessary that he display it here, for elsewhere customers would be few. If he has much capital to invest, he puts up his building or his haberdashery shop at this center of population because on the prairie his capital would be unproductive. He pays for the opportunity to produce out of the production the site makes possible, not out of his earnings. In point of fact, the rent comes in by the front door.

Main Street — used here as a symbol of the market economy — is made possible by population. Population concentrates in the locality, in the first place, because

the locality promises a return on invested labor and capital, because it has good land, a harbor, a mine or, eventually, a factory. That is the first magnet for people. But, since men do not live by bread alone, the wages earned in the locality begin clamoring for services that only Main Street can provide, and as wages increase so does the clamoring. Among the services demanded are those that are conducive to better living: security from fire hazards, sanitary conditions, better streets, a water supply. And as these aids to better living appear, the place becomes attractive to more people, and the bidding for locations becomes more lively. The rental values of these locations increase. But so do the productive possibilities. Rent is the reflection of density and productivity of population. Procreation and immigration are only partial boosters of rent; even more important are the wealth-producing capacities and facilities of these occupiers of sites.

The cause-and-effect relationship between rent and population productivity suggests that rent is a proper fund to apply to those services that cannot be ascribed to the efforts of individual producers, but which are necessary to all of them. This is the device first suggested by the French Physiocrats in the eighteenth century and later advocated by Henry George under the name of the "single tax." As a fiscal measure it commends itself on several grounds. In the first place, it is really not a tax, because the element of coercion is absent from the collection of rent. Rent has to be paid even as one must pay for the services of a doctor or the acquisition of any economic good. It is a price paid for the exclusive use of a desirable site and is determined by free competition. As in the case of a necktie or a ticket to the circus, the price is set by voluntary bidders; the owner of the site has nothing to do with establishing its rental value. The only question involved is whether it is in the best interests of Society, which creates this rental value, that it be paid to the owner or to the public treasury to defray the costs of the social services. To the occupier the matter is of no consequence; he does not care whether the recipient of the rent is an idiot, a genius, a corporation, or the community. Then, there is the matter of equity. Since the social services attract population and are therefore conducive to greater production, which in turn increases rent, it would seem that the cost of maintaining them is a proper charge against rent. It can be argued that rent rises in proportion to the availability of services provided by private specialists, such as factories, doctors, railroads, entertainers, and merchants. But these are the concomitants of population density, which is directly influenced by the conditions which make the locality a desirable place to live in. It may be possible to earn as much money wages for a given amount of labor in a mining camp, where no social services are available, but a mining camp is a poor place to spend one's life in. The density and productivity of population is the primary cause of rent, but contributory to density and productivity are the social services provided in the locality. Hence, it seems equitable that this rent be used to defray the costs.

This last passage muddies the waters a bit. He may seem to be arguing against payment of any land value rebates, and for the transfer of the entire

ground-rent to the agencies providing social services. But I prefer to think he's arguing against the notion that *all* of the ground-rent belongs only to the "private specialists," rather than just their proper share. Presumably he'd say that not only do the government entities providing the social services deserve their share, but also the nameless masses who provide "the density and productivity of population." He doesn't clearly delineate these components or what portion of the ground-rent is their due, however.

Finally, there is the obvious improvement in the abundance of the market place if taxes were abolished, if production were relieved of the cost of providing social services. A tax is a levy on earnings; it is a draft on the wages that would, if left with the earner, result in effective demand for goods and services. They are made poorer by the levy. On the other hand, rent is not a charge against production but is merely payment for the opportunity to produce. The merchant who says that he does not care what the rent of his location is so long as he can do the business there, is an excellent economist; he knows that he is not out of pocket for the rent he pays, that this payment is merely a yardstick of the volume of sales made possible at that location. If he sets up shop in a less traveled area, he will pay less rent, but he will also do less business. And he knows that the price he must charge for his merchandise is determined by competition, not by the rent he pays. Unlike a tax, which must be added to the price of the merchandise and absorbed by the consumer, rent is absorbed in commercial transactions; it cannot be passed on to the consumer.

While the above clearly shows that Chodorov favored George's Single Tax (though he, like Nock, probably would have preferred Paine's phrase, "community collection of ground-rent"), he did think its implementation more problematic. Thus, he continues with the following (pp. 109-110).

For all that, the "single tax" does not come to grips with the basic malaise of Society, which is the tendency of political power to encroach on freedom. It is true that Henry George faced this fact, but, like all advocates of reform, his inclination to blow up his proposal into a panacea led him to pass encroachment over as an inconsequential matter that would automatically correct itself. He argued that the prosperity resulting from the abolition of taxes would offer emoluments in private enterprise that politics could not match, and that only those who had achieved a competence would enter political life for the glory of public service. But the argument does not accord with the facts of history, nor does it take into account the ineluctable urge in political life for more and more power. The power complex is not to be cured by a fiscal reform. Even as taxes are used to accumulate power, so could the rent of land.



While the latter is certainly true, I disagree with Chodorov's general thrust here. George also argued that, because of the simplicity of the Single Tax, the masses would be more knowledgeable about not only the nuts and bolts of land assessment, but of its fairness as well. They'd also be better acquainted with the proper role of government, and would be relatively immune to its encroachments on their freedom. Additionally, if instituted at the local level, the Single Tax would be largely self-correcting, for reasons discussed elsewhere in this essay, and which Chodorov himself explains further on down.

It has been estimated that rent in a highly productive country, like the United States, is a larger sum than its taxes, and if this is so its diversion to the State would make that institution stronger and more arbitrary than it is now. It could use the rent fund to take over an industry, such as the steel mills, by the simple device of declaring it a "social service." In a "democracy," how many votes could be bought with rent?

The best that can be said for the use of rent to defray the cost of social services, in lieu of taxes, is that the plan might work well in a small community.

[This is precisely what I and many other geo-libertarians have come to recommend — see the section "How would LVT work?" p.97.]

But that is so not because of the inherent virtue of the plan but because in a small community political power is more immediately responsive to social power, and any attempt to make use of the rent fund for political purposes would meet with the quick disapproval of the neighbors; that, however, is also true when taxes are misused in a small political unit. Hence, for all the merits of the "single tax," it does not meet the antisocial problems resulting from political institutions, the cure for which is the decentralization of power, the keeping of the politician within the purview of the people whose money he handles.

All, of course, true. And, in **The Income Tax: Root of All Evil**, Chodorov has a chapter entitled "Competition in Government," which makes the further argument that not only must governing jurisdictions be small, they must be in direct competition. Also plainly true. Fortunately, LVT and decentralized government are not mutually exclusive. In fact, their marriage is precisely what I and many other geo-libertarians propose: a hierarchical, decentralized, competing municipality form of government, with each municipality funded by the Single Tax (again, see p.97, "How would LVT work?").

Unfortunately, not all of the libertarian movement's 20<sup>th</sup> century intellectual icons studied the land question as thoroughly as did Nock and Chodorov.

Take, for example, **Ludwig von Mises** (1881-1973). His major work, **Human Action: A Treatise on Economics** (1949), addressed the land question in only a cursory fashion. From Chapter XXII ("The Nonhuman factors of production", end of section 1):

Classical economic theory erred when it assigned to land a distinct place in its theoretical scheme. Land is, in the economic sense, a factor of production, and the laws determining the formation of the prices of land are the same that determine the formation of the prices of other factors of production.

Forgetting that the supply of land, unlike the supply of, say, tractors, is strictly limited, and is, moreover, a *sine qua non* of human existence. While oxygen is also in the latter category, it cannot easily be monopolized. The classical economists were thus correct in treating land as unique.

From Chapter XXVIII (Interference by Taxation), section 2 (The Total Tax):

Some socialists launched plans for a prosocialist tax reform. They recommended either a 100 per cent estate and gift tax or taxing away totally the rent of land or all unearned income—i.e., in the socialist terminology, all revenue not derived from labor performed. The examination of these projects is superfluous. It is enough to know that they are utterly incompatible with the preservation of the market economy.

Upon hearing this, LVT advocate Dan Sullivan remarked, "Not exactly an exhaustive treatment." Dan also made the interesting observation that, in later editions of this work, Mises added the word "manual" in front of labor, because he must have realized that the performance of labor was the principle upon which *all* classical liberals, including himself, based private property. But Georgist Single-Taxers have always recognized the right to value created by mental labor, and so Mises was being unfair here in lumping Georgists with socialists.

The ideas of Henry George, curiously enough, may have played a major role in Nobel Prize-winning Austrian economist **Friedrich August von Hayek's** (1899-1992) choice of economics as his life's work. (Hayek is perhaps best known for his 1944 book, **The Road to Serfdom**.)

A decisive step in my introduction to economic theory, perhaps the occasion which made me see what it was all about, was when, some time during my first year of the university, somebody introduced me to a group of single-taxers (*Bodenreformer*s — the German version of the Henry George school, led by one Damaschke) — and I was persuaded to read to them a paper on the Ricardian theory of rent.<sup>{16}</sup> The latter at once fascinated me, while my enthusiasm for the single-tax proposal rapidly ended. I do not remember what flaws in it I found then, because it seems to me to the present day the theoretically most defensible of all socialist proposals and impractical only because of the *de facto* impossibility of distinguishing between the original and permanent powers of the soil and the different kinds of improvements. (Hayek on Hayek (1994), p.63)

It's interesting both that Hayek called it a socialist proposal (to see why he and others may mistakenly see it that way, see numbers 1 and 2 of "Common objections from libertarians"), and that at the same time he thought it at least somewhat theoretically defensible. He doesn't say specifically that he considered it *morally* defensible, but that's a reasonable supposition given that his next thought was to declare it impractical. Given his last sentence, we can assume he understood the distinction between Nature-created land value (original and permanent powers of the soil), government service-created land value, and individually-created value. Why he viewed their separate calculation as impossible, I haven't a clue. He seems simply to have stopped thinking about it, because he viewed the calculation as impossible. Thus he probably didn't bother to consider the robbery inherent in a system in which landlords receive all the value created by Nature, government, and other individuals. (For a more detailed answer to Hayek's criticism, see Andelson's "*On Separating the Landowner's Earned and Unearned Increment: A Georgist Rejoinder to F.A. Hayek.*")

## **At least one Austrian economist favored LVT**

Despite von Mises' and Hayek's dismissal of LVT as socialistic and/or impractical, there was at least one early Austrian economist who agreed completely with Henry George. His name was **Max Hirsch**, and he authored a book titled **Democracy vs. Socialism: A Critical Examination of Socialism as a Remedy for Social Injustice and an Exposition of the Single Tax Doctrine**. Written in 1901, it is said to be the first book to deal comprehensively with Marx's **Das Capital**, as well as all of the socialist literature up to the end of the 19\* century. He not only demolished the basic tenets of Marxism (admitted even by many of the leading socialists of Great

Britain and Australia at the time), but provided an alternative explanation and solution for the rampant poverty and injustice that gave socialism its impetus. Thus, not only did he expose the flaws in Marx's labor theory of value, etc., but he also championed Georgism, answered all criticisms of it, and even devoted a chapter to explaining why compensation for landowners would be wrong. Dr. Hirsch led and inspired the widespread, local implementation of the Single Tax in Australia and New Zealand in the early part of the 20<sup>th</sup> century.

## **Winston Churchill, *or* Monopolies can, and do, exist**

Widely regarded for his wry sense of humor<sup>[17]</sup> and stoic resolve as England's leader during WWII, Churchill (1874-1965) also possessed a deep understanding of economics. But before presenting extensive portions of one of his early speeches, I'd like to de-stigmatize a subject that libertarians are all too familiar with: monopoly. When libertarians hear this word, they almost instinctively discount everything that follows. I know, because for years I thought monopoly was a figment of the liberal imagination; that a free market would always work against monopoly, and that only government interference could produce it. I was right, but I only considered state-granted privileges like licensing of doctors and the creation of municipal authorities, as well as the stifling of competition via governmental regulation. I didn't see that by granting titles to land and natural resources for less than the present and future market value, government not only allows, but *fosters* monopoly. In this way, we've encouraged natural resources, hence opportunity itself, to be controlled at bargain basement prices (i.e., monopolized), in a supposedly free market system.

Natural resource monopoly tends to strangle people even more effectively than the earlier example, where all the oxygen was being extracted from the atmosphere. The reason is, it's a positive feedback loop, with the rich using their riches, unfairly, to get even richer, and the system tends toward a catastrophic conclusion: the existence of extreme haves and have-nots. To see this, consider...

*The game of Monopoly* I loved playing Monopoly as a child, but I didn't understand the game's most profound message until quite recently: there's

only one winner and everyone else loses. But in real life the game doesn't end, and all the many losers, if they wish to live, must become the partial slaves of the few winners — the monopolists. For in real life the wealthy are allowed not only to buy the fruits of other men's labor with their winnings (as they should be), *but they are allowed to buy up Nature itself, and thus confiscate the very basis of everyone else's existence.* We let them monopolize natural opportunity! Undoubtedly this seems like a good deal to land speculators and the government officials who tip them off as to where the latest boondoggle road project, stadium or airport is going to go, so they can buy up the land ahead of time, make a killing, and give kickbacks under the table or contribute heavily to a re-election campaign. But it's a very bad deal for everyone else. This particularly common type of corruption could not occur under LVT, as there would be no killing to be made.

One final word about land monopoly. Even under geo-libertarian proposals to restore equal rights to land by instituting community collection of ground-rent, land would still be "monopolized" in the sense that it'd be controlled and accounted for. But it would be managed by local government in the same way a shopping mall is managed. Land would be leased and used by individuals, just as space at shopping malls is leased and used by individual entrepreneurs. And, it'd be much more readily available to individuals who wish to use it. There'd be no land speculation, and no one would be able to rob anyone else of their natural inheritance, forcing them to labor just to purchase space in which to exist.

*Speech by Churchill* Having, hopefully, desensitized you to the word "monopoly," you're now ready for Churchill. Although not held in especially high regard by libertarians, he certainly had a healthy appreciation of the free market (see his statements below about doctors, lawyers, and free competition). And, the very first sentence quoted below demonstrates his respect for capitalism and scorn for socialism. In this speech, he gives some of the clearest illustrations of the evils attending the treatment of land as an ordinary commodity. This, alone, qualifies him, in my mind, as a true-blue freedom fighter. It's a veritable tutorial in the dynamics of land economics. Churchill certainly considered himself a liberal in the classic sense (although he began and ended his career in the Conservative Party), and this long quotation is drawn from a speech he gave on July 17, 1909, to a friendly group of fellow Liberal Party politicians in

Edinburgh, Scotland. He was then serving in the House of Commons, and his purpose in the speech was to educate his fellow party members on how to defend a rather modest budget proposal to tax one-fifth of the future unearned increment in land values. The descriptions of the audience reaction have been left in to give a livelier sense of the moment.

...[Previously] I attempted to draw a fundamental distinction between the principles of Liberalism and of Socialism, and I said Socialism attacks capital, Liberalism attacks monopoly. — (Cheers.) It is from that fundamental distinction that I come directly to the land proposals of the present Budget. — (Cheers.)

It is quite true that land monopoly is not the only monopoly that exists, but it is by far the greatest of monopolies. It is a perpetual monopoly, and it is the mother of all other forms of monopoly. — (Cheers.) Undeserved increments in land are not the only form of unearned or undeserved profit, but they are the principal form of unearned increment, and they are derived from processes which are not merely not beneficial, but positively detrimental to the general public. — (Cheers.)

Land, which is a necessity of human existence, which is the original source of all wealth, which is strictly limited in extent, which is fixed in geographical position — land, I say, differs from all other forms of property in these primary and fundamental conditions.

Nothing is more amusing than to watch the efforts of our monopolist opponents to prove that other forms of property and increment are similar in all respects to land and the unearned increment on land. They talk to us of the increased profits of a doctor or a lawyer from the growth of population in the towns in which they live. — (Laughter.) They tell us of the profits which are derived from the rising stocks and shares and which are sometimes derived from the sale of pictures and works of art — (laughter), — and they ask us as if it were the only complaint, "Ought not all those other forms to be taxed too?"

But see how misleading and false all those analogies are. The windfalls from the sale of a picture — a Vandyke or a Holbein — may here and there be very considerable. But pictures do not get in anybody's way. — (Laughter and cheers.) They do not lay a toll on anybody's labor; they do not touch enterprise and production at any point; they do not affect any of those creative processes upon which the material well-being of millions depends. — (Cheers.)

If a rise in stocks confers profits on the fortunate holders far beyond what they expected or indeed deserved — (laughter), — nevertheless that profit was not reaped by withholding from the community the land which it needs; on the contrary, it was reaped by supplying industry with the capital without which it could not be carried on.... If a doctor or a lawyer enjoys a better practice, it is because the doctor attends more patients, and more exacting patients, and because the lawyer pleads more suits in the courts, and more important suits. At every stage the doctor or the lawyer is giving service in return for his fees, and if the service is too poor or the fees are too high other doctors and other lawyers can come freely into competition. — (Cheers.) There is constant service. There is constant competition. There is no monopoly. There is no injury to the public interest. There is no impediment to the general progress in these.

Fancy comparing these healthy processes with the enrichment which comes to the landlord who happens to own a plot of land on the outskirts of, or at the center of one of our great cities, who watches the busy population around him making the city larger, richer, more convenient, more famous every day, and all the while sits still and does nothing.

Roads are made, streets are made, railway services are improved, electric light turns night into day, electric trams fly swiftly to and fro, water is brought from reservoirs a hundred miles off in the mountains — and all the while the landlord sits still. — (A laugh.) Every one of those improvements is effected by the labor and cost of other people and the ratepayers. To not one of those improvements does the land monopolist, as a land monopolist, contribute. — (Hear, hear.) And yet by every one of them the value of his land is sensibly enhanced. He renders no service to the community, he contributes nothing to the general welfare, he contributes nothing even to the process from which his own enrichment is derived.

The land may be unoccupied, underdeveloped — it may be what is called ripening — (laughter) — ripening at the expense of the whole city, of the whole country, for the unearned increment of its owner. Roads perhaps have to be diverted to avoid this forbidden area. The merchant going to his office, the artisan going to his work has to make a detour or pay a tram fare to avoid it. — (Laughter.) The citizens lose their chance of using the land, the city and state lose the taxes which would have accrued if the natural

development had taken place, and all the while the land monopolist has only to sit still and watch complacently his property multiplying in value, sometimes many fold, without any other contribution on his part. And that, ladies and gentlemen, is justice. — (Laughter and cheers.)

But let us follow the process a little further. The population of the city grows and grows, the congestion in the poorer quarters becomes acute, rents rise and thousands of families are crowded into one-room tenements. At last the land becomes ripe for sale. — (Laughter.) That means to say that the price is too tempting to be resisted any longer — (laughter), — and then, and not till then, it is sold by the yard only, by the inch — (laughter), — at ten times or 20 times or even 50 times its agricultural value.— (Cheers.)

The greater the population around the land, the greater the injury the public has sustained by its protracted denial, the more inconvenience caused to everybody, the more serious the loss in economic strength and activity, the larger will be the profit of the landlord when the sale is finally accomplished. In fact, you may say that the unearned increment on the land is reaped by the land monopolist in exact proportion, not to the service, but to the disservice done.— (Cheers.) It is monopoly which is the keynote, and where monopoly prevails, the greater the injury to society the greater the reward to the monopolist will be. See how this evil process strikes at every form of industrial activity. The municipality, wishing for broader streets, better houses, more healthy, decent, scientifically planned towns, is made to pay more to get them in proportion as it has exerted itself to make past improvements. The more it has improved the town, the more it will have to pay for any land it may now wish to acquire for further improvements.

The manufacturer proposing to start a new industry, to erect a great factory offering employment to thousands of hands, is made to pay such a price for his land that the purchase price hangs around the neck of his whole business, clogging him far more than any foreign tariff in his export competition — (cheers), — and the land price strikes down through the profits of the manufacturer on to the wages of the workman.

No matter where you look or what examples you select, you will see that every form of enterprise, every step in material progress, is only undertaken after the land monopolist has skimmed the cream off for himself, and



everywhere today the man or the public body that wishes to put land to its highest use is forced to pay a preliminary fine in land values to the man who is putting it to an inferior use, and in some cases to no use at all. — (Hear, hear.) All comes back to the land value, and its owner for the time being is able to levy his toll upon all other forms of wealth and every form of industry.

A portion, in some cases the whole, of every benefit which is laboriously acquired by the community increases the land value and finds its way automatically into the landlord's pocket. If there is a rise in wages, rents are able to move forward, because the workers can afford to pay a little more. If the opening of a new railway or a new tramway, or the institution of an improved service or a lowering of fares, or of a new invention, or any other public convenience affords a benefit to the workers in any particular district, it becomes easier for them to live, and therefore the landlord and the ground landlord, one on top of the other, are able to charge them more for the privilege of living there. — (Laughter.)

Some years ago in London there was a toll bar on a bridge across the Thames, and all the working people who lived on the south side of the river had to pay a daily toll of one penny for going and returning from their work. The spectacle of these poor people thus mulcted of so large a proportion of their earnings appealed to the public conscience, and agitation was set on foot, municipal authorities were roused, and at the cost of the rate payers the bridge was freed and the toll removed. All those people who used the bridge were saved sixpence a week. Within a very short period from that time the rents on the south side of the river were found to have advanced by about sixpence a week — (laughter and cheers), — or the amount of the toll which had been remitted.

A friend of mine was telling me the other day that, in the parish of Southwark, about £350 a year was given away in doles of bread by charitable people in connection with one of the churches, and as a consequence of this the competition for small houses and single-room tenements is so great that rents are considerably higher than in the neighboring district. All goes back to the land, and the land owner, who in most cases is a worthy person, utterly unconscious of the character of the methods by which he is enriched, is enabled with resistless strength to

absorb to himself a share of almost every public and every private benefit, however important or however pitiful those benefits may be.

I hope you will understand that, when I speak of the land monopolist, I am dealing more with the process than with the individual land owner. I have no wish to hold any class up to public approbation. I do not think that the man who makes money by unearned increment of the land is morally worse than anyone else who gathers his profit in this hard age under the law, and according to common usage. It is not the individual I attack; it is the system. — (Cheers.) It is not the man who is bad; it is the law which is bad. It is not the man who is blameworthy for doing what the law allows and what other men may do; it is the State which would be blameworthy were it not to endeavor to reform the law and correct the practice.

We do not want to punish the landlord. We want to alter the law.

It should be clear from Churchill's examples that a productive community (i.e., many individuals) contributes significantly to land values while, currently, only landowners (relatively few individuals) reap the profits. As mentioned in Chapter 1, a fundamental principle of justice is that people own the fruits of their labor; we see that under a system of unencumbered land ownership, the fruits of everyone's collective labor accrue more and more to the landowners as society progresses (see also Mill's and George's quotes). This is part of the reason why land has usually been treated differently than man-made property. And hopefully, after having read this far, no one will say, as did Rothbard in **For A New Liberty** (p.34) that because "no producer *really* 'creates' matter," nothing is truly man-made; that because man modifies existing matter in using land just as he does in creating computer software, land is just like everything else. As Churchill stressed, it's a matter of degree, and of the presence or absence of monopoly. Where monopoly exists, there resides injustice. There is no monopoly, for example, in silicon for computer chips, or petroleum for a computer's plastic housing, etc. Because these raw materials are abundant, the cost of computers mostly reflects the labor involved in their construction. They are classified among the "moveables" mentioned in the Introduction and by J. S. Mill, are almost totally elastic in quantity in relation to our needs, and thus are not presently monopolizable. Land, on the other hand, is easily monopolized.

**Murray Rothbard** (1926-1995) The only well-known libertarian writer whom I know to have explicitly, and at great length, opposed the idea of community collected user fees for natural resources is Murray Rothbard, which is odd, given his admiration for Albert Jay Nock and Frank Chodorov, who, in turn, revered Henry George. Rothbard apparently had extensive discussions with Georgists:

If every man owns his own person and therefore his own labor, and if by extension he owns whatever property he has 'created' or gathered out of the previously unused, unowned 'state of nature,' then what of the last great question: the right to own or control the earth *itself*?... It is at this point that Henry George and his followers, who have gone all the way so far with the libertarians, leave the track and deny the individual right to own the piece of land itself, the *ground* on which these activities have taken place, (pp. 33-34, **For a New Liberty**.)

The following is taken from his *The Ethics of Liberty*.

(p. 50, footnote 2): A modified variant of this "Columbus complex" holds that the first discoverer of a new island or continent could properly lay claim to the entire continent by himself walking around it (or hiring others to do so), and thereby laying out a boundary for the area. In our view, however, their claim would still be no more than to the boundary itself, and not to any of the land within it, for only the boundary will have been transformed and used by man.

With this statement, Rothbard may seem to have carried the "first use" doctrine to its illogical extreme. (If walking over some land constitutes transformation and use, then is it just one's footprints that one owns? Or does one's rightful claim extend out to all the underbrush one has cleared away? Or, can one claim land as far as the eye can see? This is the very definition of the word "arbitrary.") But in his defense, to convert the claim into actual ownership would, Rothbard would say, require actual use (though we're again faced with the question of what constitutes "use"—see p.79, "Anti-Rothbard..."). For example, earlier, in a Robinson Crusoe paradigm, he stated that Crusoe's "*true property—his actual control over material goods—would extend only so far as his actual labor brought them into production. His true ownership could not extend beyond the power of his own reach.*"

What, then would Rothbard say about large American corporations owning, but not using, millions of acres of land, as some now do? He gives us his answer in an essay he wrote on Henry George's Land Value Tax idea,

entitled "*The Single Tax: Economic and Moral Implications*" (FEE "Special Essay Series", 1957). Here are a few examples from that work:

Well, what about idle land? Should the sight of it alarm us? On the contrary, we should thank our stars for one of the great economic facts of nature: *that labor is scarce relative to land*...Since labor is scarce relative to land, and much land *must* therefore remain idle, any attempt to force *all* land into production would bring economic disaster. Forcing all land into use would take labor and capital away from more productive uses, and compel their wasteful employment on land, a disservice to consumers. [Emphasis his.]

Of course, LVT would and could do no such thing, as those who strive to put idle land into productive use would have to bid against other land users for labor, and only the best uses of labor and land would win out. Thus, rather than *forcing* all land into use, LVT would *discourage* all but the most productive use of land, just as any market tends to allocate resources most wisely. Another thing that would happen is that the earnings of labor would increase due to increased competition for it, and (ideally) none of the produced wealth would go to landowners *qua* landowners. Let me rephrase Rothbard's last sentence in a way that makes sense: *Forcing land users to pass over ideal idle land and utilize marginal land instead, is wasteful of human labor and natural opportunities, a disservice to all mankind and a boon only to landlords and land speculators.*

But here's the most embarrassing passage:

A 100% tax on rent would cause the capital value of all land to fall promptly to zero.

Correct.

Since owners could not obtain any net rent, the sites would become valueless on the market.

**False!** They'd be valueless only to those market participants who wish only to speculate in land, not to those who wish to *use* land in some productive endeavor.

From that point on, sites, in short, would be *free*.

Wrong again. While it's true there'd be no **sale** price for vacant land, one would still have to pay the ground-rent to use it.

Further, since all rent would be siphoned off to the government, there would be no incentive for owners to charge any rent at all.

Wrong yet again. He's assuming the LVT would be set by an actual ground-rent charged by the landlord, rather than being an assessed value that would have to be recouped. And, I might add, total rental costs would tend to decrease as additional units come on the market as the monopoly stranglehold on land loses its grip.

Rent would be zero as well, and rentals would thus be free.

He continues to pound a straw man.

The first consequence of the single tax, then, is that no revenue would accrue from it.

He took a wrong turn, and just keeps going!

Far from supplying all the revenue of government, the single tax would yield no revenue at all! For if rents are zero, a 100% tax on rents will also yield nothing.

Rothbard then goes on to state,

Compelling any economic goods to be free wreaks economic havoc...the result is to introduce complete chaos in land sites.

Completely false. Even if LVT were applied at a national level, and there were no competition among municipalities for residents, people would still bid on the leases of occupied property, providing price information. (For more on this, see p.97, "How would LVT work?")

**In Power and Market: Government and the Economy** (second edition, 1977), Rothbard went even further into the realm of irrationality in his attempt to refute Georgist land theory (p. 131):

Contrary to Georgist doctrine, however, the land problem does **not** stem from free-market ownership of ground land.

I know of no Georgist who would *ever* use the phrase "free-market" in conjunction with our current, individual monopoly market in land.

It stems from failure to live up to a prime condition of free-market property rights, namely, that new, unowned land be first owned by its first user<sup>{18}</sup>, and that *from then on, it become the full private property of the first user or those who receive or buy the land from him.*" [my emphasis]

It is an obvious fiction that any use, however small or large the effort, should grant full private ownership for all time, unless we're talking about a make-believe world with unlimited land where access to all of it is instantaneous (i.e., where travel time is zero). This fiction ignores the fact that someone who, for example, puts up a fence and lets a cow graze, is much less the rightful "owner" of land than one who builds an industrial plant or a shopping mall. (For more on this, see p.79, "Anti-Rothbard...") But leaving that aside, simply compare Rothbard's statement about perpetual land title ("from them on") with those of Ayn Rand (see above) regarding the rightfulness of *non*-perpetuity in the ownership of a pure creation of human effort: intellectual property rights.

And so, the majority of modern-day libertarians, who claim that "all taxation is theft" and who oppose any charge ("tax") on the use of natural resources, are more properly called Rothbardians, rather than true, historical libertarians, who uniformly favor some form of community collection of ground-rent.

## **Views of other famous or semi-famous libertarians**

The above is by no means an exhaustive list of classical liberals/libertarians who spoke out against the land monopoly inherent in our current system. The 1913 anthology **Liberty and the Great Libertarians** contains a great many moderately known and lesser known libertarians with wonderful quotes about the evils of purely private land ownership. Listed alphabetically, they are: Stephen Pearl Andrews, William Lloyd Garrison, Theodore Hertzka, Alexander Horr, Robert Ingersoll, John Henry Mackay, Edmund Norton, Louis F. Post, Leo Tolstoy, and Benjamin R. Tucker. (The Ingersoll and Tolstoy selections make for especially delightful reading, and still seem fresh.)

## **Modern libertarian support for LVT**

Russell Means, American Indian Movement activist and candidate for the 1988 Libertarian Party Presidential nomination, has spoken at Georgist

conventions, and is sympathetic to LVT. **David Nolan**, principal founder of the Libertarian Party and originator of the "Nolan Chart"<sup>{19}</sup>, has stated that LVT is the least objectionable tax, and one he favors over all others until such time as all government functions are funded voluntarily. The following is taken from Mr. Nolan's article in the May, 1996 **Libertarian Party News** (p. 6), entitled "The Essence of Liberty."

**No taxes on productivity** In an ideal world, there would be no taxation. All services would be paid for on an as-used basis. But in a less-than-ideal world, some services will be force-financed for the foreseeable future. However, not all taxes are equally deleterious, and the worst form of taxation is a tax on productivity — i.e. an "income" tax — and no libertarian supports this type of taxation.

What kind of taxation is least harmful? This is a topic still open for debate. My own preference is for a single tax on land. Is this "the" libertarian position on taxes? No. But all libertarians oppose any form of income tax.

The libertarian **Heartland Institute**, in 1997, endorsed land value taxation, and drafted model legislation for shifting taxes off buildings and onto land, which they make available to state legislators around the U.S. Here's what they had to say:

**Pro-Enterprise Property Tax Act** The common one-rate property tax system creates tax disincentives to the construction of commercial, industrial, and residential buildings. Changing to a two-rate property tax system places a much lower tax rate on buildings and is more heavily based on the value of the property. This differentiation between land value and improvements on the land has helped revitalize downtown areas, lower annual tax burdens of homeowners, increase the number of construction jobs, and spur the production of housing.

This Act establishes a two-rate property tax system. It enables local governments, or local voters, to adopt a two-rate property tax and to implement such a system on any timetable. Localities choosing this option may then shift as much of the tax burden as desired from buildings and improvements onto land values. This system encourages economic growth and development.

## **Many modern economists also support LVT**

Many winners of the Nobel Prize in economics have spoken in support of LVT, including Milton Friedman, public choice theorist James Buchanan, and the late William Vickrey. A recent book entitled **Land-Value Taxation: The Equitable and Efficient Source of Public Finance** (1999) contains

chapters by Vickrey, as well as economics professors Mason Gaffney, Nicholas Tideman, and Kris Feder. Other books have been written, discussing the details of assessing land value (**The Assessment of Land Value**, 1970) and its morality and practicality in the modern world (**Land Value Taxation: Can it and will it work today?**, 1998). A group of economists was formed in 1994, called "the geo-economy society," dedicated to advancing the LVT paradigm (see Feder, "Geo-economics," in Foldvary's **Beyond Neo-classical Economics**, 1996). Thus, the idea has been rigorously explored, and has found many strong proponents within the economics community.

At this point, however, I'd like to set aside quotations from the recent and distant past, and present several aspects of the issue that haven't yet here been treated, or treated adequately.