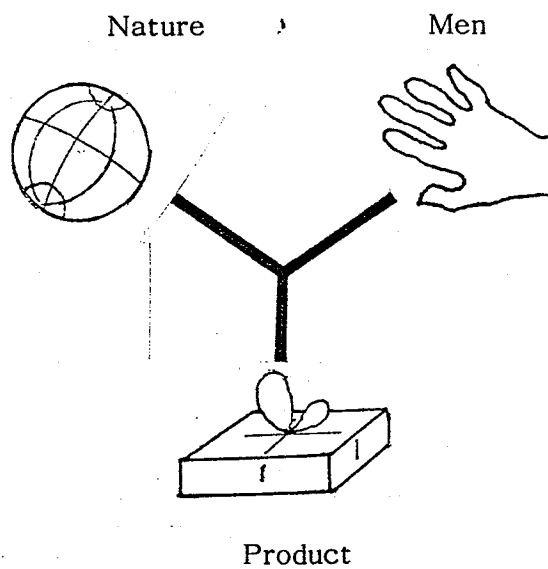


LAND and LABOUR

Jan J. Pot.



J.J.Pot. Welgravenlaan 27, 6741 ZH Lunteren, Netherlands

2476

Techniques are wonderful. One can walk on the moon and still return alive. Nevertheless, in spite of economic 'science', there still is unemployment, currency debasement, government financial mess, undeserved gaps between rich and poor, class-war, 'third world' disasters, etc.

Seemingly, the so called economic 'science' dwells in the stone age. Have you ever seen a textbook mentioning at its opening that gifts of nature behave contrary to things that are man-made? For instance 'properties' consist of both the sites and the buildings, the site mostly increasing in value while the buildings deteriorate.

In physics we all know that if you neglect natural law, your gadgets will not work. But in economics I know of no textbook that deals properly with natural law in economy.

Thanks to W.H.Pitt for his much appreciated assistance.

INTRODUCTION

Nature

Since the beginning of time our globe, our earth has existed. With all that's on and in it: land and water, sunshine and rain, floods and fires and earthquakes, minerals, vegetation, animals. All are components of nature. All of these, as untouched by man, are usually called 'gifts' of nature. What about payment for all this, what about the value of all this? You will find the answers thereto in the relevant chapters on these subjects.

Man

Then man appeared on earth. As a part of nature too. For his behaviour and characteristics see chapter II. At least a lot of changes came by his actions - consumptive as well as productive - and the consequences thereof: the producing and the destroying. All these activities, without any exception, in this treatise are called 'labour'. And the results of labour we call 'products'. Material and spiritual - whether creating as destroying as well.

Production

For production a man needs the components of nature. For instance land to stand upon, fresh air to breathe, food, raw materials and space to move in. So the production-formula is:

components of nature, handled by men, result in products.
Natural components are passive, the activity of man is the moving factor. Therefore we can formulate this as follows:



Nature processed by Labour results in Products.

Ownership

We can say that a man owns himself. Power from outside him can disturb this, so we should say: if not disturbed, a man owns himself. And consequently he owns his produce. If he does nothing, there will be no product. He alone is to be held responsible for his produce. Also if he destroys, or if he disturbs other people, he is liable for such act. This cannot be otherwise. See the specific chapter VI on this item.

Who 'owns' nature? A man owns nature as far as his body and his brains (patent right and copyright) are concerned. But what about all that exists in nature all around outside men?

Again, without disturbing factors, the notion 'ownership' or 'private ownership' cannot be valid for gifts of nature outside men. Nobody can be made liable for nature as it is.

Power

As mentioned before, 'power' from outside an individual can be a disturbing factor. Not so much survival of the fittest, but primarily dictatorship by the strongest disrupts our peaceful 'living together'. Legalized by way of 'law', it should be called 'privilege'. Also taxation is a power to destroy (Marshall). The result is the ever and again growing gap between poor and wealthy. See chapter VII for 'power' as a disturbing factor.

Money

Barter and the medium of exchange are tools that can be abused in several ways. But in fact it is interesting to see that it has only to do with 'labour' - hidden in everything else. See chapter VIII on money.

A last word about the presentation of things in this book. A diamond has many facets and you can enjoy many ways of considering things. But in this book I point to the irrefutable fact that every diamond, with as many glittering sides as you ever can imagine, materially consists of nothing other than pure CARBON.

CONTENTS

Chapter

I Nature

II Men

III Products

IV Production

V Value

VI Ownership

VII Power

VIII Money

APPENDIX I - GOLDEN STANDARD?

APPENDIX II - WAYS TO REFORM

Facts about taxes

Why pay site rent to the common purse

Moral Justification

CHAPTER I

The definition of NATURE

For our purpose we make a distinction between nature inside and outside man. The natural behaviour of man, physical and spiritual, we will consider in chapter II on 'MAN'.

We now will look at the world around us, as long as this world is untouched by man. As it exists, 'given' to mankind; taken and enjoyed or damned by men. As mentioned before: sunshine and rain, the energy thereof inclusive; soil and water, plants and animals, minerals at the surface and underneath. It takes much effort to win oil and gas. Even the search for it and the effort that found only non-productive wells belong to what we call 'labour'. But the primary materials are what exists in nature.

If a man individually has 'ownership' of raw materials, it can give him power over his fellow men - see chapter VII on Power.

All that's summed-up here is physical, material, concrete, the energy thereof inclusive. If used, it is used-up, 'consumed' as we say. At least the entropy of the primary condition is irreversibly increasing, as known in the science of thermodynamics. The usability is lessened, the so-called chaos increased, meaning that there is no way back without a host of energy. These gifts of nature are - fast or slowly - 'used-up'.

Besides these concrete, material components of nature, there are also immaterial components of nature: space, surface, room on a specific site called 'location'. It is not soil, not sand or rock, not land or water, but space. This abstraction cannot be used-up, but is unalterable in eternity. We can make 'use-of' it. Irrespective of the soil underneath your home, it is the site, the location that is used. Nevertheless such an immaterial location can have value. The capital of Holland, Amsterdam, is built on a moor, the worst possible 'land' for building. You have to use a lot of poles, down through the moor until standing put on a layer of sand underneath. So half

the outlay for a building is for such a foundation. Nevertheless in downtown Amsterdam you will find the most valuable square metres of the whole country. This immaterial 'space', at a specific location (site), can have very high value. But such a 'value' has to do with human appreciation of space as a component of nature. So if a man individually possesses such a gift of nature, he can have monopolistic power over his fellow men, just because for everyone it is a necessity to use a site or location, in order merely to survive.

There are more of such immaterial components in nature. For example the spectrum of radio-waves. There are a limited number of 'locations' or frequencies available of more or less value. Or think of the limited space for satellites at a specific location - only at just one distance from the earth, and only at a precise position above the equator. With more or less valuable 'locations'. Also as such they are inalterable in nature.

'Property' is a term often used for the home you possess along with the land beneath it. The house is man-made, the space it occupies was there already beforehand. After a few years the building will need maintenance, it will deteriorate and in the end it will be 'used-up', and the site will be cleared. The value of the building will go down to zero, but in a developing society the value of the location, will meanwhile have increased, often very much. So we see that the value of man made products alters in the opposite way to the value of components of nature.

The reason for warfare is to possess land. For its location, for space valuable for a harbour, for minerals and for the other gifts of nature. If thereby the products of man are destroyed, i.e. railways, bridges, buildings are sacrificed - even men themselves - these can be made anew by further labour. So property in manmade products contrasts with that of components of nature.

If a tax is levied on a product of labour, the amount of tax is added to the price of the product to be paid by the consumer. Think for instance of the value-added tax. On the other hand: if a tax is levied on land, the price to be paid by the buyer of land will be lowered.

The use-value of a location is not altered by a tax, but its rental value is shared between the owner and the tax collector.

The selling value, or price, is a capitalisation of the remainder of the rent for the owner, and so will be lower. So also this property of man made products is contrary to that of components of nature.

If a tax is levied on labour or products of labour, these items will become more expensive, and consequently will be bought and sold less readily, and economic development will slow down accordingly.

On the other hand: if you have to pay each and every year for your private benefit of the use-value of a location, you will feel an urgent need to develop your site in an economic way so as to earn the money needed, in order to be able to pay that tax. So again property rights in man made products are contrary to that in components of nature.

A payment levied on land cannot be dodged, for a site cannot be hidden or obscured. Every site has an owner, and in most countries is registered in the land registry. At least most are well known to the tax collector. So paying a yearly due for the use of a location cannot be avoided - a black market is not possible. Again the characteristic in man made products contrasts to that in components of nature.

Let this be the first lesson in economics: the characteristics of the immaterial component of nature that we call land, site, square metres or 'location', are contrary to those of man made products.

CHAPTER II

MAN

People, men, that part of nature within the skin of an individual, we have to accept as it is. Think of man's feelings, his moods, brains and conscience, faith and ethics, compassion and hardships, impulsive energy or sloth, impudency and disabilities, all as 'given' to him by nature. In reality sometimes there come about unexpected things. Men's behaviour, utterances or actions are, in principle at least, unpredictable.

I will point at his feelings, his will. He feels himself free to think as he chooses and, within the possibilities of his circumstances, to do what he likes. Sometimes reasonably, and often unreasonably. Even a slave is free to think as he will. An inner liberty is the essence of the nature inside men. This inner freedom I will indicate with the character L of Liberty.

A man alone

Imagine a man alone, e.g. as a shipwrecked person on an uninhabited island. His freedom is limited only by outside influences. A hailstorm destroying his crop he cannot turn away. But to plough, seed and weed, depends on his own free will. If he doesn't work, than thereof he will have no harvest to eat. It is his own liberty and the consequences are for his own responsibility. These two notions are unbreakably linked together. If free, then he is responsible. This I can depict as:

(liberty) $L \rightarrow R$ (responsibility)

The other way around: a man cannot be liable for things happening beyond his power. He cannot be held responsible for a hailstorm destroying his crop. This is the reverse relationship: $L \leftarrow R$. So the formula, describing the behaviour of men, is:

$L \rightleftharpoons R$

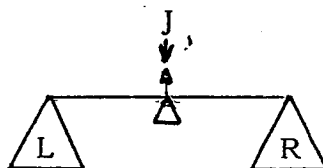
Men together

What about this relation $L \rightleftharpoons R$ in society? The answer is simple: one can violate the equilibrium. One can do things of which the consequences fall on others. One can withdraw himself from one's responsibility.

We react upon this emotionally. We instinctively rebel against such irresponsible actions. The relation $L \rightleftharpoons R$ is disturbed. It is our feeling for justice (J) that judges the equilibrium of this relation $L \rightleftharpoons R$. So \rightleftharpoons is the symbol of righteousness. Conclusion: the human factors that rule our living-together, our society, can be symbolized with:

$$\begin{array}{c} J \\ L \rightleftharpoons R \end{array}$$

Men are not responsible for what exists as nature - so they do not have the liberty to appropriate these gifts personally!



CHAPTER III

PRODUCTS

Products are every time and always manufactured by Labour applied to Land. Without exception products consist of things resulting from nature and the exertion of men. Phenomena occurring in nature should never be called 'products'. Nature exists already and is not a man-made product.

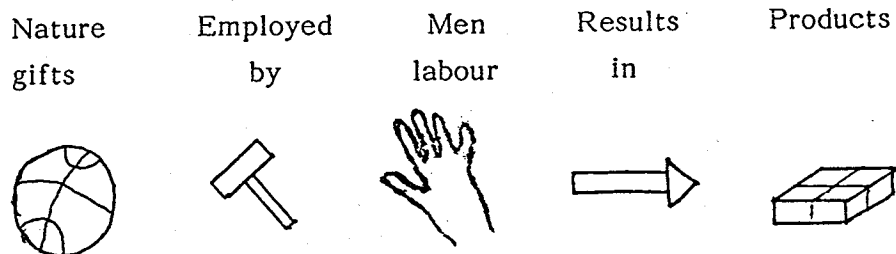
Products that move fast through production, handling and selling to the consumer, generally are called consumption articles.

Products that for a while are used as help for labour (tools and buildings) are called capital goods. Perhaps 'equipment capital'.

These qualifications, these terms capital and consumption, have not so much to do with the products as such, but with the way people use them. The car of a salesman is called 'capital' if used for his livelihood, as his means of subsistence. But in the weekends and holidays that same car is qualified as consumption article. Or think of a loaf of bread: on the shelf in the shop it is the sellers 'capital'. But as soon as that same loaf of bread crosses the counter, it is called a consumption article for the buyer. So the term 'capital', equally as the term 'consumption article' is not a quality of the product as such, but merely a name for the purpose to which it is put.

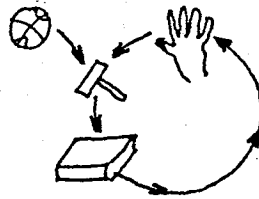
Is a product helpful for production? Yes, for consumption articles keep people in good health and good mood, capable and willing to produce. Even if wages are a small percentage below the level the labourer expects (or the labour union dictates) a strike may result, so that there is no production at all any longer.

Tools and buildings are helpful too, easing production, assisting mental and physical exertion. So some consumption articles and all capital goods are functional to production. Both consist of land modified by labour.



CHAPTER IV

PRODUCTION



The incentive for production comes from our needs and desires. Need for food, clothing and shelter; desire for more and more and more. Usually one thinks of working with tools and machinery to 'produce' wanted gadgets. But every action, every exertion of men has to be called 'labour'. Solving a crossword puzzle is production, satisfying ones desire. Being helpful to other people satisfies ones own feeling for charity. So be careful to indicate whose desires are satisfied. The H-bomb on Hiroshima satisfied a desire of the Americans, not of the Japanese! So every action can be qualified as production, e.g. singing a song satisfies the singers desire; or may be satisfies his desire for the earning of a living, by satisfying someone else's desire.

Don't forget that the circulation through the economy, from production until consumption, can be hampered and disturbed in several ways. Think of fire, flood, earthquake; think of theft or mis-use; think of sickness, strike or war, think of power, of monopoly and of privileges. Part of the production is lost in several ways, or shifts to men who dont produce it.

So there is a lot to do along the way from production to the consuming workman. But let me ask how this satifying of desires by products can be facilitated, or alternatively hampered. Fundamentally that depends on access to nature by labour - otherwise there can be no labour and production at all. This access to land is fundamental for the level of existence of men.

CHAPTER V

VALUE



A shipwrecked person, almost drowned, washes onto an uninhabited island. What is the value of this piece of nature to him? It is of immense value to him, for he then can survive and later live from it: land to live upon, soil, vegetation and game. With his exertion, his labour, he can have goods to eat, make a shelter, a home, etc. This value we call 'use'-value.

Once upon a day a second drowning person landed on that same island. What to do?

Fight for it - or - share that gift of nature!

This concerns the fundamental essence of living together in society. Is this (is)land taken by the fittest and the other fellow made dependable upon consent by the other? Land for sale? Or did they share the loot, its benefits?

Think of our society. Some have the land and thus also the primary materials - the others have to fight or to pay for it.

But think also of an newcomer in a family. A child is born. It is quite normal that this child shares the location with the other members of the family. Also fresh air, sunshine, water, food, shelter, etc. To share the loot is not an unusual phenomenon, but quite common practise.

But at the very moment the grown-up leaves the family and enters 'society', he becomes dependent upon those who have the locations and the minerals. Why?

Because in history the strongest have taken. Originally by force - today institutionalised by law: personal 'ownership' of land and minerals, of the gifts of the Lord. What to do?

Things made by men can change hands. These have 'exchange' value. What about this value of man-made products? They are costing human exertion and maybe have more or less use-value for someone else. Products can be exchanged, mostly by means of a medium of exchange: money.

But what about the value of the minerals and space used for such production? Why is it that a location down town has a huge use-value? Of course you can point to the advantage of such a location for a specific purpose over that of other locations for that same purpose. If you pay for the permit to use a location, it cannot be true that you pay 'for that location', for that space was already there! You pay for the 'value' of that location, or better: for the 'exchange' value. A value that develops because there are more people on earth than you alone. It is the other people being there - consuming and producing - that makes a location desirable and therefore 'valuable'. So it is payment for the exertion of other people.

Alas! Mostly not to those others, but to someone who is privileged by law to privately collect your payment.

Of course - there cannot be exchange between (the products of) the exertion of men and components of nature - apart from disruption by disturbing factors. Exchange cannot be otherwise than between men. 'Exchange' value is solely created by men - think particularly of the infrastructure, paid for by tax-money, taken from men's wages. So if money for land is not paid to the treasury of the people in common, the economy is dislocated.

See our pictogramme. Nature used by exertion of men results in products. But payment for products, fallen apart between land and labour, can only be in balance if the money-for-land is paid to the common treasury. Paying for land value means payment for labour, i.e. labour of others, who provide facilities and services all around, that had made the components of nature 'valuable'.

CHAPTER VI

OWNERSHIP

What's inside a human being is his 'own'. He is to be held responsible for it (L \rightleftharpoons R). Nobody can be responsible for nature, thunderstorm and gale, sunshine and rain, land and minerals. It exists and occurs all outside the human being. The term 'ownership' is not appropriate for phenomena in nature.

Nature is a gift of the Lord to mankind. Man can appropriate nature in his hands, in order to make use of it. In society the use-value has exchange-value, money-value. Not merely the inherent value of a property as a component of nature, as for Robinson Crusoe, but value due to streets and roads, sewers, piping and cabling, means of transport, schools and shops, police and fire-brigade, theatre and other cultural provisions, in short the whole infrastructure, all due to human exertion. Government investments of citizens labour, financed by their tax money (this money also taken from wages for labour). So if you pay for land, you pay for labour of people in general. The payment of site rental for the exchange-value of land is payment for other people's labour. It is their earnings, their wages. Paying for land is paying the dividend of investments of people in society. Therefore you should pay this to the common purse. It is a payment for value-received, so this is an economic equilibrium. Only after one has paid such a yearly due to the common treasury, may he fence-in his (so called) property.

He may, let us say, 'possess', not 'own' it. Ownership of land or unexploited oil is a misconception, even if instituted by human law. That cannot be, that is not possible, even if these terms are in common usage. Nature can have a social value only - so if the value of it is cashed by an individual, it means dislocation of the economic balance.

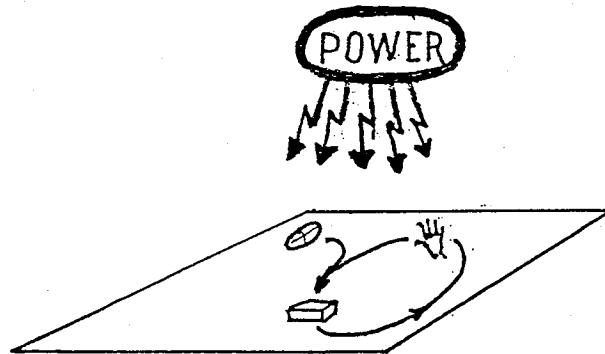
One is rightly permitted to possess it - have it in his hands and fence it in - as long as he pays its annual exchange-value to the common treasury. What we call 'ownership' then will be the right to hold land as a private possession, to have one's home or farm or factory upon it subject to paying to the government what one 'owes' for the exertion of others.

CHAPTER VII

POWER

Power is something that is not in our picture of land, labour, production and consumption. It is outside and over the piece of paper with our drawing, disturbing all and everything in our so neatly demonstrated functioning of the elements of our economy. Only through Power may anyone cheat his fellowman - utilising ownership of land, enslavement of labour, robbery etc.

Throughout the living nature we see the struggle for access to the components of nature. With vegetation and with animals: the fittest reigns over the territory. Through history we see that some - so called noble lords - have taken the land while the others have to pay a ransom for access to it. Our struggle is to do away with Power - power by force or, instituted by law, called privilege. We can have a balanced economic society only if we can overcome "the power in the land".



CHAPTER VIII

MONEY

A baker had baked a loaf of bread and a fisherman had caught a fish. Should they barter a loaf of bread for a fish?

Forster mentions dr. Pearce saying that you should not compare the trouble of baking bread and catching fish, but think of the trouble of the baker going out to catch a fish and the fisherman going home to bake a loaf of bread. If they mutually appreciate the avoidable trouble, they will barter this avoided exertion and exchange one loaf of bread for one fish.

One day the fisherman had made a fishing-net but had not caught a fish. Nevertheless he longed for a loaf of bread. Did he get that loaf?

IF the baker had confidence in getting his fish another day, then he would hand over that loaf. It was bartered in good faith.

IF the fisherman wrote an IOU, he bartered this IOU for a loaf of bread. At least - if the baker trusted him. The value of an IOU depends on trust, on good faith (credit, belief) in the integrity of the fisherman.

A banker would collect all the different IOU's for a generally accepted IOU that his bank would issue - to be called money. Of course these IOU's - this money - do not stand for bread and fish specifically, but for a comparable human exertion for a multitude of products.

The essence of money is, that it is based on trust. As is formulated so well by William J. Harrinton in 'Money Can BE Understood': "a certificate of integrity in trust". His definition for money is: "Money is the abstract moral principal of the integrity of the individual".

APPENDIX I

CAN GOLD BE A STANDARD FOR MONEY?

1. Gold is a gift of nature. But can a gift of nature, free of charge, costing no money, ever be a standard for money?

2. Gold searching and mining, purifying and transporting, costs labour, much labour. So if in the end we buy a bar of gold, we pay for labour exerted. But how can this specific amount of labour ever be a standard for money?

3. The owner of a goldmine has a privilege. The Union of South-Africa for instance has such a privilege. You have to pay for such a privilege, but can a privilege ever be a standard for money?

4. Gold is scarce. A thing that's scarce can be expensive. But can scarcity ever be a standard for money?

5. Gold can hardly be used. It is mostly used for jewelry and golden teeth and nowadays for electrical contacts - but mostly gold is unused and stored, for instance in Fort Knox and bank-safes. But can the use-value of gold ever be a standard for money?

6. Curiously, if one nation has no faith any longer in the currency of another nation, both nevertheless have faith in gold! But can faith ever be a standard for money?

7. Over for hundreds and thousands of years men have been accustomed to use gold as a medium of exchange. But can tradition ever be a standard for money?

8. Men desire to own gold. It is not clear why, but people expend much effort to get it. But can desirability ever be a standard for money?

9. Sometimes it is proposed to use a unit of energy as a standard for money. But energy is an component of nature, so again: how can nature ever be a standard for money?

10. If one has produced something, he can exchange it for an IOU: 'money'. Indeed! The only possible standard for money is a standard amount of labour of a standard quality. For instance a haircut. Half a century ago it cost me a quarter. Today it costs me 50 quarters. That

much our money has devaluated since. For the amount and quality of labour for a haircut, the skill, the tools, the time required are still the same.

Conclusion

Components of nature, such as gold or energy, are extant and gratuitous. Costing no money. So a component of nature can never be a standard for money.

Money comes into being as an IOU for labour. So a standard for money can only be a human standard, a standard of human exertion. So a standard for money can only be:

a unit of human performance.

N.B.

Indeed an ounce of gold is a yardstick with which you can compare exchange-rates. But such a yardstick is not a standard!

A standard for money can never be a 'thing'.

APPENDIX II

WAYS TO REFORM

Slice by slice

This is known as tax-shift. Split the property tax, lower the tax on improvements till zero and increase the percentage on the 'value' (price!) of the locations. Because owner and tax collector share the annual value, the capitalisation of the remainder of the rent for the owner - the price - goes down.

The highest percentage of land tax I know of is almost 16 per cent - but the assessment was at only a quarter of the price. So in fact less than 4 per cent of the real value is cashed for the treasury.

Still worse is what Rolland O'Regan said in his paper to the 12th conference of the International Union in Caswell Bay in 1968: "No one likes paying taxes, and every land tax payer becomes an opponent of the land tax. In addition he has an added motive to oppose a land tax in particular, and I think this is important. A tax

on land values reduces the value (price) of a property by the amount of the tax capitalised. Conversely any remission of the tax means an increase in the selling value (price) of the property, i.e. a capital gain, and every landowner reaches out at sometime for this glittering prize. This is the motive keeping alive the constant pressure to abandon land-value taxation in the municipal field. Land-value taxers, in their effort to destroy the evils of private property in land, are fighting a continual battle which is never won".

Think of the Canberra disaster, think of the Danish experiment 1956-60. think of the struggle in New-Zealand! At least today, after more than a century already, we have achieved hardly anything. Despite more than half of Australia at the local government level being on this system, at some places for more than half a century already. This 'slice by slice' programme does not succeed.

Parcel by parcel

My proposition is to do it is as follows. Every time and again that on the agenda of a meeting of the board of a community the authority proposes to sell land, it should not be sold but let on lease. The rent to be adjusted annually in conformity with an annually adjusted land value map. As advised by Rolland O'Regan in 1968: "For this reason I believe a further step is required to secure the gains made; and this step is the adoption of a system of leasehold tenure".

The next step would be a law requiring that if any land is put for sale, the community buys that land and lets it on lease. The money can be borrowed on mortgage. And the mortgagee can be the man who sells his property. Within a quarter of a century such a mortgage can be redeemed from the rental revenue, and the full rent can unencumbered be for the benefit of the community. On an average, every lot is put for sale or inherited within a generation, so within a quarter of a century all land might become leased from the government.

The benefits for the treasury are such, that it will turn out to be impossible to reverse this procedure. Private enterprise already does it commercially this way.

So let us do it as Rolland O'Regan advised us already decades ago: have the government do it parcel by parcel.

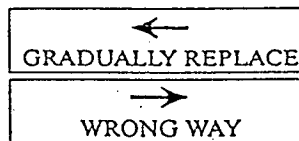
FACTS ABOUT TAXES

COMPARISON OF SITE VALUE TAXATION WITH OTHER TAXES

SITE VALUE TAXATION	OTHER TAXES (INCOME, SALES, PAYROLL, CONSUMER TAXES. . .)
Is incentive to full use of all sites (except the very poorest). It is incentive to full employment.	Are disincentive; they discourage:- Investment. Construction. Production. Commerce. Employment. Trade.
It does not increase prices. It does not increase rents.	They do increase prices, making competition with overseas difficult. They do increase housing cost and rents.
It cannot be evaded or avoided (or taken to a tax haven).	Are all subject to avoidance and evasion.
Absolutely fair; (we pay according to the value of the privilege provided by the community).	Mainly arbitrary confiscation (robbery) of personal private property, merely because it is available to be taken, or money is seen to be changing hands.
It is an economic transaction, payment to supplier of benefit (community) by the receiver of the benefit, directly related to market price.	Uneconomic, deterrent. (Robbery is uneconomic).
Reasonably precise. Large tax base.	Income tax is extremely imprecise. (depends often on accounting procedure. Notional income, fringe benefits capital gains. . . ? deductions, rebates. . .)
Causes prosperity for all.	Cause disadvantage to many, and poverty to some.
Is cheap to collect, if the tax base is well used.	Require great clerical costs to government.
It is entirely practical.	Are complex and hard to interpret.
Requires no clerical records or returns by payer.	Require large clerical costs for the payers.

INCREASE

REDUCE THESE



WHY PAY SITE RENT TO THE COMMON PURSE ?

1. Because the earth belongs equally to all people and this equal birthright of all people in our society is realised when what we pay for land is for the benefit of all;
2. because the private retaining of siterent dis-inherits others;
3. because the rental value arises not by the exertion of the 'owner', but by the social-economic development of society as a whole, and for that reason belongs to - and be for the benefit - of everybody;
4. because paying rent is not compulsory as taxation is, but is freely offered in the market;
5. because land-duty is commercial, being based on the value of the sites through supply and demand, and has nothing to do with the occupier's ability-to-pay, nor with the proceeds, nor with his profit, or his turnover - nor with the owner's rights on income;
6. because you need not ask individuals to honestly state their income, for the government to grasp part of it;
7. because land-duty is impersonal, not personal; objective, not subjective; is just and has nothing to do with harshness or mercy as is the case with taxation and its rebates or allowances;
8. because by its increase in rental value, there is no increase in the sale price of land, for as soon as the full rental value is collected for the treasury, the selling-price will disappear entirely;
9. because collecting site-rent does not hamper activity, as is the case with taxation which is a burden;

10. because the public sharing of site rent stimulates activity: for land has to be used productively; if the rent is to be paid and ownership retained;

11. because for these reasons slums can be sanitised by private enterprise and without taxmoney;

12. because payment of land rent does not increase retail prices;

13. because land-duty cannot be dodged - land cannot be hidden;

14. because collecting landrent involves little cost;

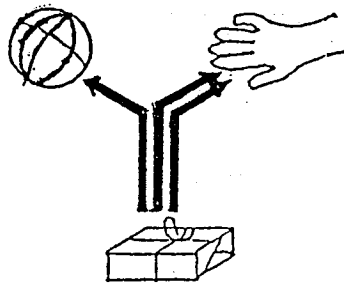
15. because the amounts can readily be published on land rent maps;

16. because it grows automatically in line with the development of society;

17. because liberty gets a real chance, once the servitude by private landownership is abolished.

MORAL JUSTIFICATION

Sir George Fowlds (circa 1896 in New-Zealand) figured out that if the owners were bought-out that year, the debt would be redeemed within 25 years and that from the nineteen twenties onwards New-Zealand would be freed from all taxation. People would in that case pay not more 'taxes than usual' during those perhaps thirty years. But they didn't introduce the site rental proposal, so they still pay - and will pay century after century - ever increasing taxes.



Labour applied to land
produces a product.

If you buy a product,
your money goes to land and labour.
So the labourer cannot buy
his own product!

If the landowner spends his money,
the labourer gets his wage.
But then there are less products to buy.
The price goes up, so the money is debased,
and the labourer asks a higher wage.