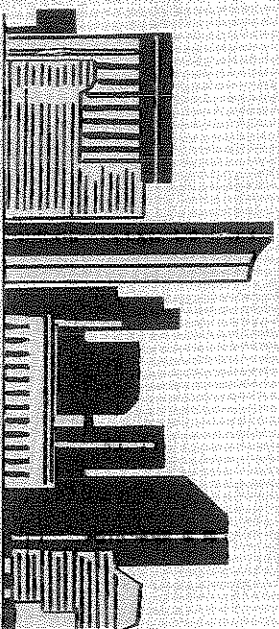


# REVENUE BASED ON LAND VALUES



Thank you for your interest. In this leaflet the idea of collecting "land values" as revenue is described in greater detail. Also, you will find listed some literature and endorsements of the idea.

## Object: Social Justice and Freedom

For a movement to aim at both social justice and freedom is indeed rare. Commonly the aim is only one. Yet, if Government collects *its* own, what we may for the moment call 'land values', and leaves to others what is *theirs*, wages and interest, freedom and social justice will be achieved. And they will be achieved by the best of all methods: by non-violent, silent change.

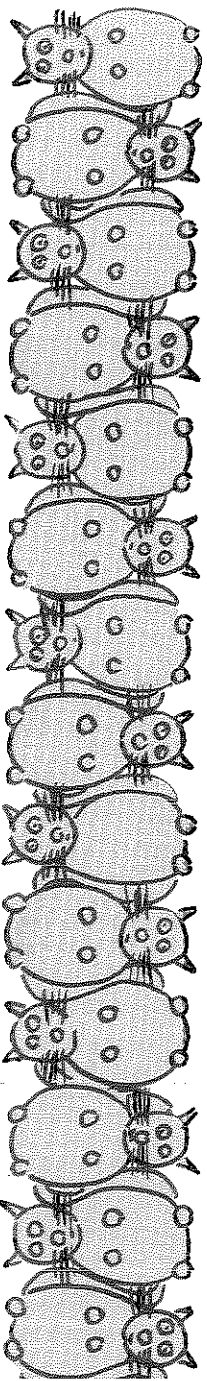
It will then be possible to free the individual from all that interference or assistance which is only necessary because government fails to collect its proper revenue. Then the true responsibilities of government would clearly emerge. Obviously, those responsibilities would still include the care for those who cannot provide for themselves.

## 'Equal Rights for All; Privileges for None'

Overall, the motto of the site revenue movement is that of the American Democratic Party of the last century, 'Equal rights for all; privileges for none.' Many would say that this principle implies, as well as the collection of 'land values' as revenue, proportional representation ('one vote, one value'), free trade, and limited government.

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# SEEING THE CAT

There is or used to be a saying *Seeing the Cat*. The saying comes from a children's puzzle: what is wrong is very plain, the farm is infested by rats; the remedy (the cat) is also plain but it is drawn so carefully into the foliage and boughs of the tree where it sits as to be discernible only to those who look carefully. This analogy perfectly fits the reform proposed here.

## CENTRAL IDEA

The failure of government to see the existence of *economic rent* and to collect 'land values', which are derived from it (the cat) is a primary cause of economic, social, and political problems (the rats). As a society grows so does its economic rent. That is, as a society grows some locations begin to have advantages over others. These locations begin to be needed and used by the more productive enterprises. To carry on these some enterprises on the marginal locations would be a hardship, and their production would be commensurately less. This difference in production due to location is economic rent. It can be seen expressed in the skyline of any great city.

To take an example, a large Australian retailer operates a store in a big country town and one in a well-to-do and densely populated Sydney suburb. Both stores have very nearly the same floor space, but the turnover from the suburban store is almost 50% higher. For the most part this nearly 50% higher production is due to locational advantages, and the suburban land will have a correspondingly higher 'land value'. It is indisputable that economic rent is caused by the presence and activities of the community. It is mirrored in 'land value'. 'Land values' are public property and rightfully belong to the people.

## THE PROPOSAL

We therefore propose that government steadily increases what it already calls 'land value taxation' while reducing (eventually abolishing) taxes. Actually, this payment is *not* a tax; it is not even a rent, since the State does not own the land; it is a payment made for community-given advantages which the land user enjoys.

## ITS ADVANTAGES

The proposal to collect site rent instead of taxes is just, certain, and efficient — three important tests of any revenue system.

*Just* because this revenue does belong to the community which produced it; because it falls heaviest upon those who own the most valuable sites in the community (the wealthy) and least



upon those on 'marginal sites' (the poor); and because it cuts off the greatest on-going source of inequality in our society — the private appropriation of 'land values'.

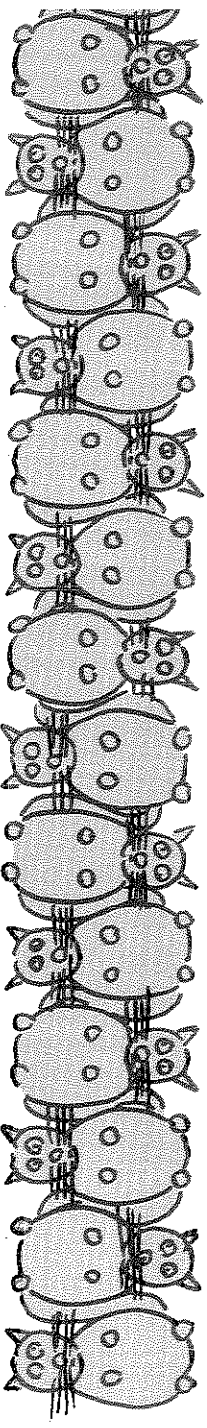
*Certain* because land cannot be hidden or carried away, and thus site revenue cannot be evaded; and because there is already a 'property' market by which land values may be readily known.

*Efficient* because this revenue can be collected with much less cost than any tax; because it does not distort economic activity in any way; in fact it encourages natural economic activity *first* by eliminating land price as a factor in housing, *second* by ensuring the fullest use of land, and *third* by untaxing producers (thus also stimulating employment); and because it saves the environment from urban sprawl.

## ITS ORIGIN

Many, including Adam Smith and John Stuart Mill have seen the good sense of this proposal but, strictly speaking, its history as a movement in modern times begins with the publication in 1879 of *Progress and Poverty* by Henry George. There, worked out in full, is George's original insight conceived in California that, as progress came to that State, it would show itself in advancing economic rent. Progress would thus marvellously increase land prices, so that the owners and controllers of the land would lay claim to the wealth which resulted. Relative to these the rest of the community, who laboured to produce this wealth, became poorer. In a truly terrible fashion progress was turned into poverty, and a liberal democracy had opened to it the prospect of dictatorship.

George became an advocate of 'a single tax' on 'land values', of free trade and of liberal values in general. George pursued these themes in his writings, speeches and political campaigns until his untimely death in 1897.



## ENDORSEMENTS

The idea that there was a fund which grew as a the community grew and which could provide for its needs, without recourse to the taxation of individuals' private property, had a naturalness and simplicity that impressed many outstanding contemporaries, the chief of whom was Leo Tolstoy. Among others who have clearly endorsed George's ideas are Sun Yat-sen, Winston Churchill, Louis Brandeis, Helen Keller, Aldous Huxley and Albert Einstein. In 1935 the latter said of him, 'Men like Henry George are rare, unfortunately. One cannot imagine a more beautiful combination of intellectual keenness, artistic form, and fervent love of justice.'

## CONCLUSION

Unfortunately, unlike Einstein's  $E=Mc^2$ , George's simple but profound idea has not been energetically applied. Yet, the principle that production differs because of location, and that the difference (mirrored in higher or lower 'land values'), may be easily collected and used as revenue is fundamental to genuine progress. 'Land Value taxation' already exists in Australia in our local government rating. All that must be done now is to expand its application.

# LITERATURE

## PROGRESS AND POVERTY Henry George

Contains a full explanation of George's theory behind his advocacy of collecting 'land values' for revenue.

## SOCIAL PROBLEMS Henry George

A very readable series of essays on various social problems such as unemployment and wages from the perspective of George's theory about the cause of poverty.

## PROTECTION OR FREE TRADE? Henry George

Perhaps the most exhaustive criticism of protection since Adam Smith yet with an emphasis on the positive results of free trade.

## TRUE AND FALSE ECONOMICS W. A. Dove — in course of publication

A modern introduction to economics with the political implications.

Please Detach here



## REVENUE BASED ON

### LAND VALUES

Please send me details of:

- ☐ Introductory lecture
- ☐ Public meetings
- ☐ Correspondence course
- ☐ Meeting of members

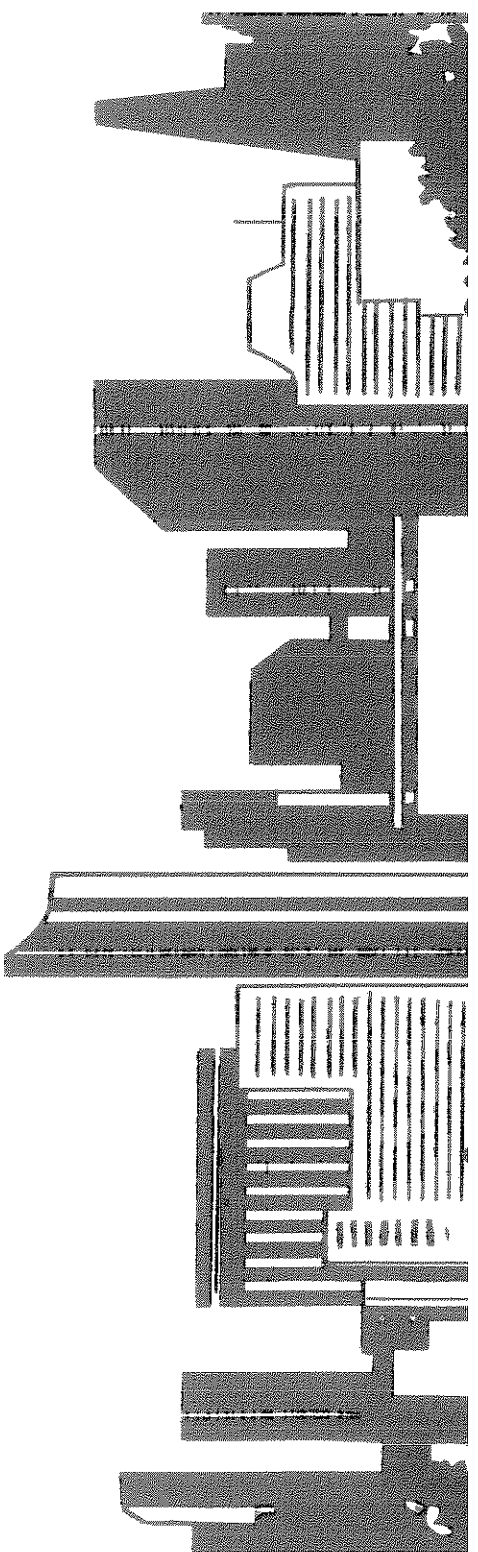
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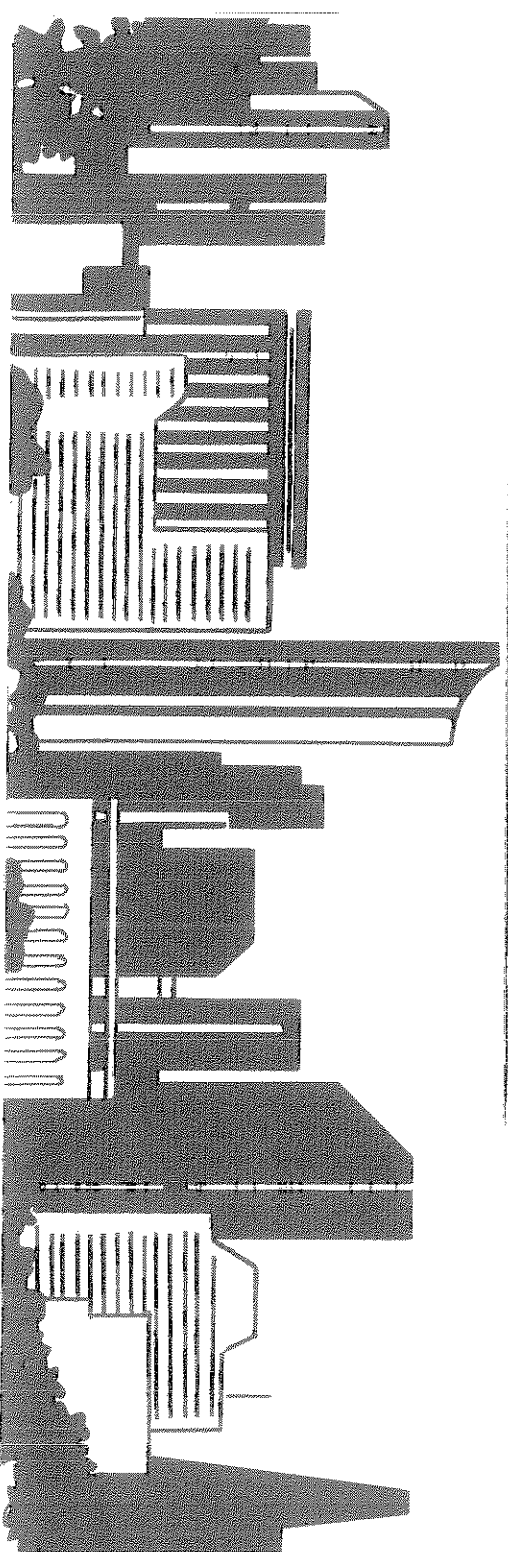
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## LAND VALUES

## REVENUE BASED ON

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The Association for Good Government  
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