

## Summary of the muddle around Rent, Land and Moral.

### What is Rent?

1. Rent is a toll upon the other two factors for permission to use the earth. HGS Mag. 10 '66.
2. In no circumstances whatever is rent a toll on labor and capital. Donohue, IUN 1.
3. Rent is an ever increasing charge upon production and living space. L & L, 4 '66.
4. In no circumstances whatever is rent an ever increasing charge upon production and living space. Donohue, IUN 1.
5. The real unassailable argument for the collection of the rental value of land is that land is a natural element and necessary for all life. Mitchell, IUN 2.
6. Rent is a secondary bounty of a beneficent Creator - land being the primary bounty. Donohue, IUN 1.
7. Rent is a part of product. Tetley, IUN 2.
8. Rent is ... handling over the excess product. Donohue, IUN 1.
9. Rent - product - surplus arising from human association. Grigg, IUN 2.
10. Rent is the value of location among people. Thompson, IUN 2.
11. Rent is 'profit of association' (Pearce) channeled through the differential advantages of location. Grigg, IUN 1.
12. Rent amounts to what one is willing to pay, irrespective of its produce. This is my contribution to the muddle. Pot.

In my opinion: Joe wins the prize.

### What is land-value?

1. Georgists often say that land values are community created. This is uncontestable. Cord, HGN 4 '66.
2. The fallacy that land values are created by the community when in reality it is rent that is produced by the community. Donohue, IUN 1.
3. Neither individuals, neither the community 'create' the ability to save effort. They co-exist. Grigg, IUN 1.
4. Economy of effort gives rise to social value. Grigg, IUN 1.
5. 'Price' expresses something of certainty that clinches a deal, while 'value' reflects the idea of evaluation. Pitt, IUN 2.
6. The total value of land is arrived at, when we add to the selling value of land, which is commonly called its price, the (capitalized) value of all taxes and other charges. Knab, IUN 2.
7. When discussing a Georgist government, land values would never be mentioned. Betsy Harris, IUN 3.

Betsy wins the prize.

### What about moral?

1. The use of the earth by individuals is not a privilege but a right. Privilege only arises when individuals can charge for its use (usury). Donohue, IUN 3.
2. The moral justification for taxing rents rests on the moral principle that all men have equal rights to what is not a product of labor. L & L, 5 '66.
3. Our whole movement is exposed to the ridicule, if we project its image (rent) as a social evil, when we are fully aware that it is a social good. Donohue, IUN 1.
4. Rent is a social product, and entirely good. It is the antithesis of land value, which is the bad product of injustice (bad government). Dowe, IUN 1.
5. Neither land value nor land rent is a social evil or a social good. Whether a thing is good or evil often depends upon its use, and is the concern of justice, not economic science. A science can have no opinion. Byrne, IUN 2.
6. I do not agree that rent is a 'social good', nor a 'social evil'. To me rent arises; it is completely impersonal. It has no moral qualities at all. Hudson, IUN 2.

Okay, Hudson.

JJP

IUN = International Union Newsletter, 1966, 1967. London.

HGS Mag. = Henry George School Magazine. London.

L & L = Land & Liberty. London.

Dear Friends,

Henry George advocated to use the machinery that already exists, namely 'taxation'. In my paper I advocate another machinery that already exists, namely long lease.

What is it that we are really talking about? We agree on the principle. What we are talking about is the conversion of the existing economy into the desired economy. This transistion or conversion is tried by means of taxation during a century already but the major part of the world still has never heard of our principle, let <sup>alone</sup> be the method to do it.

You know from my paper that long lease is an existing machinery that works already three quarts of a century - it only needs to be improved.

But let me ask: are there other means to achieve our goal?

Tax

Lease

Bonds

Mortgage

Proviso

Landbank

Conversion

Cancel

Let me explain to you.

### Bonds.

If all the land should be bought by the community by issuing bonds for that purpose, the rent of the land has to be paid to the government who has to pay the same amount as interest on the bonds. This is only an administrative manipulation, merely a paper-hocus-pocus. There will be no shock or jar in the current economy. It is a 'noiseles' operation. But - be aware that at the very moment that the rent of the country goes to the common treasury, we reach our goal in one stroke. The discussion around confiscate or redeem is then directed towards these bonds. Henry George should say: For the ~~profet~~ <sup>Profet</sup>, Figg's! Tear these bonds into pieces, or rather he said: little by little in the course of a couple of years. Other plan to redeem the bonds by means of increasing rents. All attention and discussion will be directed to these bonds and the people will noiseles be accomodated to pay a yearly rent for the use of our common heritage. May be this prodedure can be done parcel by parcel by the local authority without changing the law - or may be you aim at a decision by parliament to do it at once for the whole country.

### Mortgage.

About mortgage we can say that people is <sup>also</sup> accustomed to that. The authority can buy the land - whether offered at free will or compulsory - by paying with a mortgage deed. The money will shift from one hand to another but remains in circulation, so the economy will not be disturbed. If the mortgage banks are not always willing to accept our conditions, the authority can found their own mortgage bank, as a couple of local authorities did in Holland (be it for another purpose). But again - it is an existing machinery.

### Proviso.

With 'proviso' I mean the following. For long lease you have to have a draft with long-lease conditions accepted, mostly an elaborated piece of legislation to be adopted by the authority. To avoid this cumbersome procedure the community can sell their land as usual, but under condition that not a lump sum shall be paid, but the interest of it - to be equal with the rent of the land and in the course of time adjusted to the real rent of their plot. No new machinery is needed. To the existing machinery has to be added such a proviso.

### Landbank.

Also this machinery exists already in Holland, be it up to date for farmland only - but why not extended to all land? Every time a farmer needs cash to pay for modern machinery, he can sell his land to the landbank and rent it from the same bank at the same time. It works and once in a generation it happens for reason of inheritance: one son gets the farm, if only he redeems his brothers and sisters. He cannot pay them unless he sells his fathers land to the landbank.

Conversion. Vic Blundell proposed government to declare all freeholds to be leaseholds, free of rent until the owner dies or for a period of 50 years. As the years pass, land would become cheaper, for the lease will be running out.

Cancel. Land & Liberty, jul/aug '77: "Supply and Demand in the Land Market" :  
"Cancel the privilege of the land titleholders by obliging them to pay full annual groundrent...".