

Robert Sage

The Two Basic Laws of Human Nature

- 1-All persons seek to satisfy their desires with the least effort. Paraphrased: everyone tries to get what they desire for as little as possible. The payment may be in time and labor; money; sweet-talk or whatever.
- 2-Humans are the only creatures that are never satisfied. Given quantity they then seek quality. The quality depends on the individual. Is sky diving or climbing mountains better than watching TV in a comfortable atmosphere?

Ricardo's Law of Rent (Location Rent)

The Rent of any location has many names: land Rent, ground Rent, site Rent. It is often hidden under other titles. Such as: interest, profits, fees and even wages. That Rent is produced by the conscious and unconscious cooperation of the people.

Bandit or guerrilla chiefs who later became kings, claimed all the land as theirs by the "DIVINE RIGHT of KINGS." They then gave or sold parcels to their supporters. Example: King Charles II in 1681 gave all of Pennsylvania to William Penn. This permitted Wm. Penn to collect and keep for himself the land rent produced by the conscious and unconscious co-operation of all the people in Pennsylvania.

Something to think about: Did the king get permission from all those living at the time and from the future generations, to sell or give away any land?

Since man-made laws permit private persons to keep the SITE RENT, land has value. Before those laws, land was thought of as we think of the oceans outside the 200 mile limit. Not so long ago it was outside the three mile limit. Inventions have enabled governments to stretch the boundries they can control.

Public schools do not teach Ricardo's Law of Rent anymore; because it points out what all wages are based on: the AVAILABILITY of FREE LAND.

Ricardo's Law of Rent taken from Henry George's "Progress and Poverty".

The Rent of LAND is determined by the excess of its produce, over that which the same application, can secure from the least productive land in use.

Let's put that sentence in a different form for better and easier understanding. Here are four parcels. All are the same size. Each one uses the same amount of labor and capital. (Anything used as a TOOL is capital. Things offered in trade or used to promote trading, as shelves in a store, are only TOOLS to their owner; therefore Capital)

| Parcel "A" | | Parcel "B" | | Parcel "C" | | Parcel "D" | |
|------------|------|------------|------|---------------|------|---------------|------|
| Free Land | | Free Land | | NOT Free Land | | NOT Free Land | |
| Yield | 400 | Yield | 800 | Yield | 1600 | Yield | 3000 |
| Wages | 400 | Wages | 800 | Wages | 800 | Wages | 800 |
| Rent | Zero | Rent | Zero | Rent | 800 | Rent | 2200 |

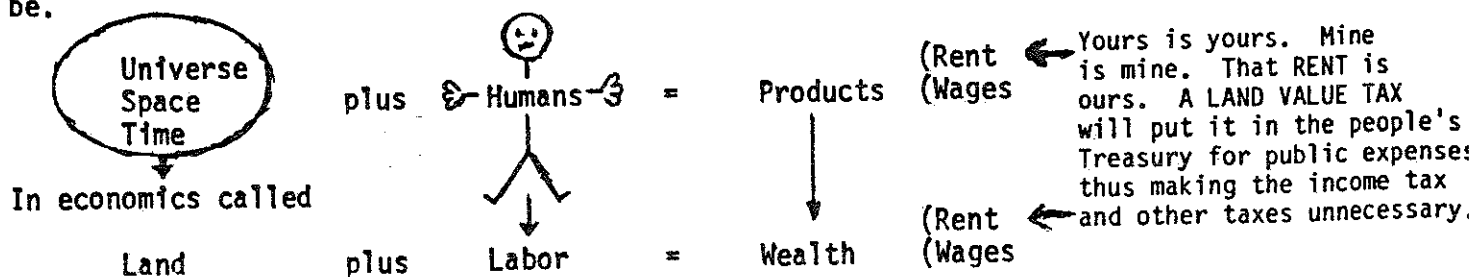
As long as "B" is FREE, no one will work on "A". As long as people can make 800 on FREE LAND "B" no one will work for less than 800.

Employers will always tend to pay as little as possible. Since they can't get anyone to work for less than 800 earned on "B" they will pay 800 no matter how great the production. To keep the workers happy, some employers will give them a turkey or bonus at the holiday season.

At all times there is a constant pressure to push wages to the minimum with legal restrictions: FREE LAND is eliminated. It is held idle by governments, corporations, and private individuals. Not too long ago, the streets were FREE for everyone to use. Little by little the following activities have either been eliminated or curtailed drastically in many places; public meetings; peddlers; taxis; house to house salespeople. All done for the good of the people via licenses. Eliminating free enterprise is good for the people??

SOLUTION: Tax the VALUE OF LAND UP TO ITS FULL VALUE and eliminate all other taxes. A LAND VALUE TAX is the easiest of all taxes to collect. It cannot be dodged or passed on.

Economics is the study of how people have made, are making and will continue to make their living. This is the way it has been, is now, and as far as we can see will continue to be.



The RENT of any LOCATION is produced by the conscious and unconscious cooperation of the people. Bandit or guerrilla chiefs, who later became kings, claimed they owned all the land by "divine right." By the use of chicanery, fraud and FORCE the public agreed. The kings then gave parcels to their supporters. Example: William Penn was given all of Pennsylvania by King Charles II in 1861.

Land is a gift from God/nature to all the living and the coming generations, regardless of nationality, color or creed. No governing body had or has the right to sell or give any away. A government may have been able to get a waiver of their rights from the living, but how could the government get a waiver from those yet to come? Did you ever sign a waiver to your rights on this earth?

To protect the rights of the present and coming generations to their share of the LOCATION RENT, governments should LEASE parcels to individuals, with an upward sliding RENT for a limited number of years. For not more than ninety-nine years when the lease can be renewed. Indian Tribes do it. Why not us?

LAND has VALUE only because title holders are permitted to keep the LOCATION RENT. The LANDHOLDERS do NOT produce that RENT. The public produces it, therefore it should be used for public expenses.

Let's assume the LOCATION NET RENT is \$12,000 a year and interest rates average 10%. That SITE has a VALUE of \$120,000. A 10% tax on the VALUE of \$120,000 would put the \$12,000 in the public treasury for public expenses. There would not be any taxes on the buildings or equipment and one of the first taxes to go besides those, would be INCOME TAX.

Over the long term, all taxes would disappear and governments will actually pay out dividends to the citizens as is being done by Indian Tribes now. Below is an example, of a government body, protecting the rights of the present generation and of those of the future generations.

State's biggest commercial lease auctioned for business complex

AZ Republic 4/28/84 page 2 (E1)
In less than two minutes Friday, the state Land Department auctioned the largest commercial lease in the state's history for development of a 229-acre business park in northwest Phoenix.

Arthur J. Stegall, a Phoenix rancher and developer, offered the only bid — \$10,000 — the minimum required by the Land Department to secure the lease on the parcel located between Interstate 17, 19th Avenue and Greenway and Bell roads.

In addition to the \$10,000 bid, Stegall gave the Land Department a cashier's check for \$373,962.83 for the first year's rent and miscellaneous fees.

Stegall, the only registered bidder, has held prior short-term leases on the land, said his attorney, Grady Gammage.

However, Stegall was unable to develop it until passage of the 1981 Urban Lands Management Act, which allows the sale and lease of

— Lease, E3.

Continued From Lease

Continued from E1 AZ REP 4/28/84
state land for residential, commercial and industrial use.

Lease of the land is expected to generate \$350 million for the state land trust during the 65-year life of the agreement. Trust revenue is used to support public schools.

Under the agreement with the state, Stegall will develop Phoenix Northgate Business Center in conjunction with Trammell Crow De-

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velopment of Dallas, according to Robert K. Lane, state land commissioner.

The center, expected to be completed in the next 12 years, will include a hotel and offices and have industrial uses, Gammage said.

The 229-acre parcel is the first state land in Phoenix to be leased under the urban-land act.

Under terms of the agreement, Stegall will be allowed to charge businesses in the park gradually increasing rents in the early years of development.

Land lease would bear UA millions

PAGE E1 AZ Republic 4/27/84
By Bill Wickersham
Republic Staff

The University of Arizona stands to harvest millions of dollars if the state Board of Regents approves a lease arrangement for the university's old cotton-research farm in Phoenix.

The regents will meet today and Saturday at the UofA in Tucson.

The proposal is part of the university's efforts to consolidate its research activities at the new 2,100-acre agricultural-research facility near Maricopa and to supply more research funding.

Cotton-research activities were moved from the Phoenix site to Maricopa last year.

The 287-acre tract, between Broadway and Roeser avenues and 40th and 48th streets, would be developed for commercial and industrial uses by University Properties Associates Ltd., according to university officials.

University Properties Associates is a development firm that includes Stanley P. Abrams of Tucson.

The lease could provide the university's College of Agriculture with an income of \$12.8 million annually by the year 2000, according to Gary Munsinger, the UofA's vice president for planning and

HENRY GEORGE INSTITUTE

5 East 44th Street
New York, N.Y. 10017

Dear Member:

Another year passes - time to pause and take stock, and then move on.

We feel that progress is being made. There is a noticeable increase in attention to the Georgist philosophy in the press, in education, in politics. The Henry George Institute is glad to be part of this revival.

And you have been part of it, too. Your membership has helped us move forward. Besides expanding our correspondence course based on Progress and Poverty, we have added a new course in Applied Economics (based on George's Protection or Free Trade and Social Problems), offered to graduates of the basic course. The Georgist Journal continues to be an important forum for members of the International Union as well as of the Institute. Dinners, special meetings and distribution of literature are part of our regular activities.

The Institute (with the cooperation of the Henry George School and other Georgist groups) has circularized an old list of School names with the result that many are again participating in the movement.

To keep up the momentum we are counting on your renewal of membership. Let us continue to move forward together!

*Your various ideas
certainly are
intriguing!*

Sincerely,

Bob
Robert Clancy
President

To HENRY GEORGE INSTITUTE, 5 E. 44th St., New York, N.Y. 10017

Please renew my membership to MAY 1985 and send me new membership card.

Enclosed \$10 annual dues. Additional contribution \$ 15. Total \$ 25.

(Dues and contributions
are tax deductible.)

Name

Robert SAGE

Address

9728 Briarwood Cir
Sun, AZ 85351

Dear Robert:

I try to put ideas down, in a way that is understood even by those who can't read.

One person alone on an island has to be everything: farmer, hunter, well digger etc etc. Each thing he does gives him some satisfaction. Let's call the sum of those satisfactions for a ~~one~~ 24 hour day

ONE UNIT of Satisfactions.

If two persons on same island together they produce THREE Units in 1 24 hr day.

A third person comes & claims he owns the island because the king or a government gave it to him. So we give him the 3rd unit.

Population grows on the island to 10. Subdivision and specialization takes place. 1 produces 1 unit 2 produces 3 10 will produce 100. Landholder takes 90. leaving 1 each for the ones on the island.

Now Rob, do you see how easy land rent is to understand?

Balance the budget to

Eliminate the Income Tax. Vote for Land Value taxation.