

THE IMMEDIATE EFFECT ON WAGES OF A CHANGE FROM TAXATION TO LAND RENT FOR REVENUE

by Arthur Cannon

The Georgist method of collecting rent for public revenue in place of taxation would mean the elimination of the most powerful and ancient parasitic class – the land monopolists. If the full ground rent was used for revenue, land titles would have no selling value. We do not pay rent and by the same token buy the land title. Rent for revenue would mean the end of private rent monopoly and hence of land speculation.

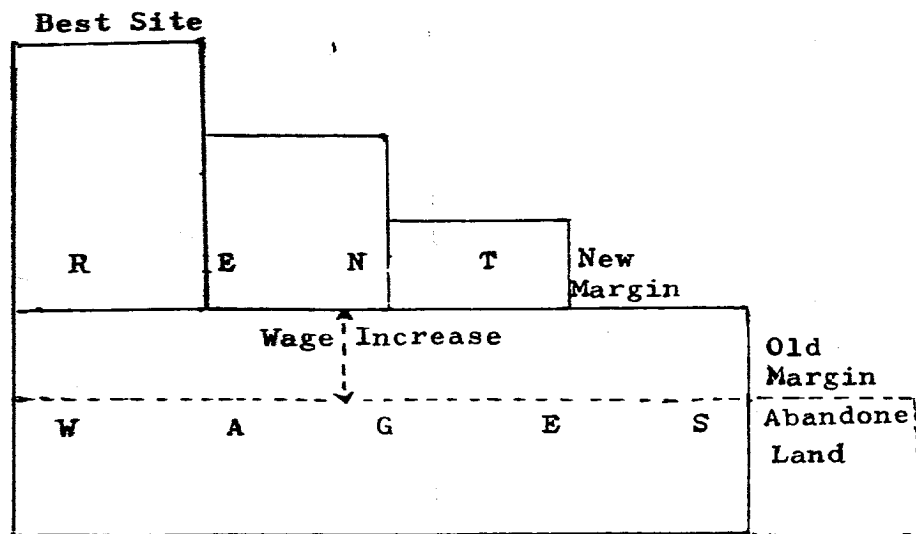
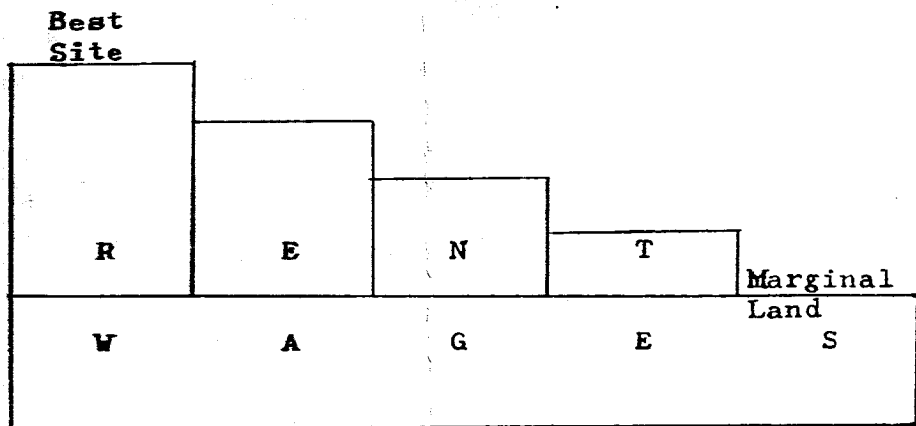
In contemporary western society, landholders, as such, occupy no useful purpose. Their affluence is at the expense of the workers, and their power of obstructing production inhibits industry.

Where private land monopoly exists, upon the inception of Georgism, except where land is required for public or for valuation purposes, there would be no need to interrupt anyone in his landholdings. As well as being an injustice, it would disturb the economy unnecessarily. Provided they paid their rent to the state, landholders would be entitled to remain.

There would no longer be any sense in holding land beyond that which was required for one's own use. Better to dispose of any surplus for what it would fetch – the market value of the improvements. To retain possession would be a dead loss, because the holder would have to pay a recurring rent to the state and also bear the cost of upkeep, or depreciation, of improvements.

With inception of this policy many land titles which had not been used to their best capacity, or held only for speculation, would be coming onto the market. Those who formerly were unable to obtain land, except at a premium to the holders, would now be able to acquire real estate titles at cost of improvements, and rent the land directly from the state. They would not pay an ingoing price for the land titles which, in our monopoly society, usually is well above the then intrinsic value of the land. In most cases, such purchases require a lifetime to redeem, as principal as well as interest payments have to be met.

As landholders disposed of surplus land titles, those who were occupying



the then marginal land would abandon it and move to more desirable sites. The margin would shrink to better lands, and, as true wages are determined at the margin, they would increase before the change.

The abandoned lands, probably most fragile, could then be turned over to conservation projects.