forces, operating in a free market, would make necessary adjustments far more quickly and efficiently than government planners could do. Everyone who understands the law of supply and demand, and how consumer demand controls production, could foresee changes that would require adjustments in his activities.

The seeming failures of these natural adjustments in the past were not the result of faulty operation of free enterprise principles, but the inevitable consequence of taxes and restrictions imposed on the system from without. When the free enterprise system worked smoothly and brought about an equitable distribution of wealth, there would be no excuse for government to interfere or to set up bureaucratic controls. Socialistic measures would not only have no reason for existing, but there would be less money to support them.

Good for Land Title Holders and Bad for Producers

Since neither Labor nor Capital owners can work without access to land and natural opportunities, this is an iron-clad economic fact:

A good tax policy for people who get their incomes primarily from RENT-of-land is a bad tax policy for those who get their incomes primarily from Wages and Interest-wages.

Our present tax structure makes it harder, when it could make it easier, for people to:

1) earn a living,
2) secure access to the land they need to live and work on,
3) keep all they earn for a good standard of living and for their old age,
4) build up reserves of capital that will make their labor more productive,
5) limit government paternalism and control,
6) revive respect for man-made laws,
7) preserve and perfect our free enterprise system, and
8) defeat Communism.

Natural Public Revenue is Based on a Sound Business Principle

Most Americans are familiar with payments made for the use of space. The most common space payments are for use of residential, hotel, office, factory, store and storage space. Others are for advertising space, travel accommodations and seats in places of entertainment. People rent display space in everything from carnivals to art galleries. Even air space is rented over radio and television channels. Some very large buildings have been built on leased air space over rail and terminal right-of-ways.

Newspapers and magazines sell advertising space. The space is made more valuable by news items, feature articles, editorials, sports, comic and financial sections, all of which attract more readers. It is sold (rented) at a price which takes into consideration the number of readers the advertiser can expect to reach.

The value of space in an office, factory, warehouse, or mart building is very similar to the value of ground areas on which people build their communities. These buildings have heat, light, power, water and air-conditioning. They offer such fire, policing, and sanitary services as are warranted. These buildings are swept and cleaned as are city streets, and like cities, they have their own form of transportation, the elevators. For all this space and services one single charge is made, usually calculated on a square foot basis, with higher charges being made for the best exposure and convenience.

Subject to health and safety regulations, the tenant and title holder are free to decide how they will use the space and services they have contracted for in private industry. But whether or not they make the best use of this space, or whether they make or lose money, good business practice demands that the space charge be fully paid at the market price.

In hundreds of millions of yearly contracts for purchase or rental of space this same principle prevails; indeed the idea of payments based on "ability to pay" would be unacceptable to all parties to the contracts, with very few exceptions. The collection of RENT-of-land, or Natural Public Revenue, is based on exactly the same principle as the collection of payment for the use of any privately provided space with its attendant services. (However, there is this difference to remember: Land title-holders do not provide the services available to their land areas. The general public provides and pays for these.)

Only in the payment for space freely provided by nature and for services provided by government and private producers have we neglected to apply the principle of "pay for what you get."

How Bad Use of Community Space Creates Problems

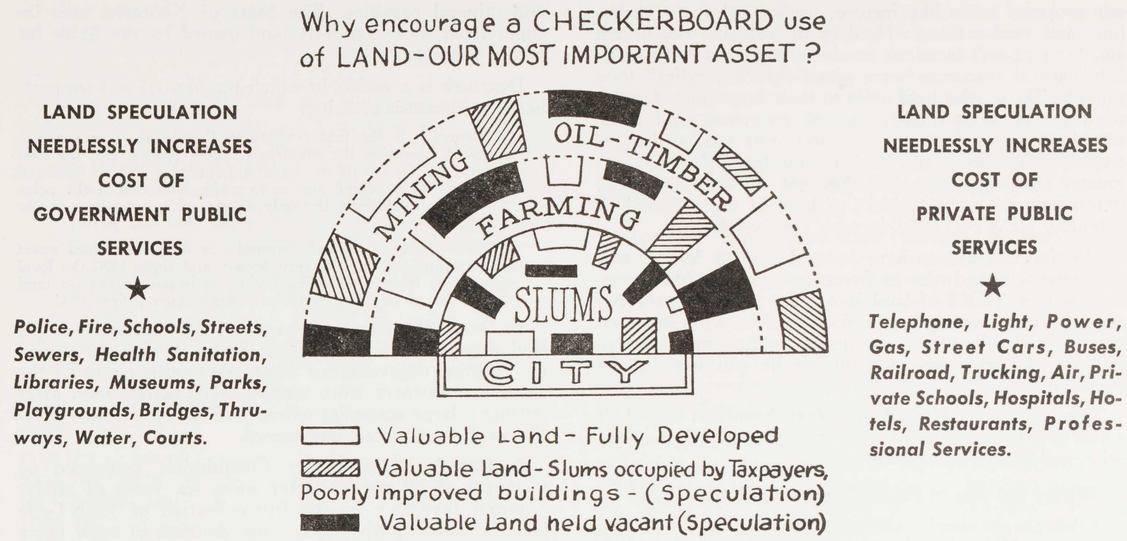
No business man, no owner of hotels, apartments or theatres, no operator of a railroad, no owner of radio or TV channels, no publisher, and no housewife in her kitchen would permit such a gross violation of common sense principles in the use of space under their control as our citizens permit in the use of their greatest asset, their land area.

The proper use of land space is vital to the peace of the world. Strategic natural resource areas and routes of commerce like the Middle East and the Suez canal are really land problems; these are readily made excuses for governments and dictators to create military issues and to exploit commerce, even as did the pirates of old. A proper understanding of the natural and just relationship of man to land would establish an ideal pattern for land use which would leave no incentive for conflict in these areas of international importance or anywhere else in the world. However, our *failure* to solve our own land problem disqualifies us from giving advice to other nations where this problem festers and creates many other seemingly unrelated problems.

Paying For What You Get From Government Is An Old American Custom

The general collection of RENT-of-land for public use, limited strictly to its free-market-determined amount, is similar to charges made by benefit assessment districts. These have long been a traditional way of paying for what you get, a type of natural income to meet government costs; they are the opposite of the "something for nothing" tax-schemes now the pets of so many economists and vote-buying politicians who, knowingly or not, serve the land dealing interests against the welfare of business, industry and labor generally.

For such things as sidewalks, sewers and ordinary streets a special benefit assessment is excellent. It cannot be equitable for more general community improvements because it is difficult to estimate in advance just how much each parcel of land will gain in value. When the community collects its Natural Income no payments for public improvements would be collected until the benefits were clearly reflected in the increased rental value of the land. If such a policy were established, greater care would be taken by the community, especially by title-holders, to see that no unnecessary or premature public improvements were undertaken in outlying tracts of land before the area was fully ripe for them. As it is, professional dealers in land are not concerned if every dollar spent for public improvements actually creates as little as twenty-five cents of extra land value, provided they are able to cash in on that increase.



Shall We Keep the Tree But Give Away the Fruit?

The Federal government spends billions of dollars annually on such projects as Tennessee Valley Authority, the Hoover Dam, flood control, irrigation, conservation, river channels and highways. All of these create land values in the privately owned surrounding areas. The newspapers, the politicians, and the organizations who promote these projects seldom, if ever, ask government to recover the value created. Nor do the lawmaking, administrative or judicial branches of the Federal government encourage state and local governments to do so. Instead, the Federal government constantly volunteers to collect more and more money from Labor and Capital-owners to finance added public improvements.

The total amount of Natural Public Revenue that is given away by government, with little or no protest from the people (who are in an economic fog about tax and land tenure problems) is so vast that such "give-aways" as Tidelands Oil and Hell's Canyon seem microscopic. The politicians who seek votes by protesting these "give-aways" are narrow visioned indeed when they object to giving away the tree while voting to give away the fruit. (It may be that neither they nor their opponents know the difference.) They do not protest, at least in public, the "give-away" of RENT-of-land, the fruit of community progress, which goes on constantly in every district, village, city and state in the nation.

The Great American Tax Shift

The public collection of RENT-of-land is a traditional source of public revenue in the United States. In early days the property tax fell chiefly on land values because there was comparatively little else. It was the main support of local and state governments.

On four occasions the Federal government was allocated, on a population basis, a portion of the land value tax collected by the several states.

The great tax shift began when industry became predominant over agriculture and large aggregations of capital arose. This capital and its income became another source on which taxes could draw and land-holders were quick to take advantage of the opportunity to shift part of their taxes. More and more people began to receive their wages in cash which made the imposition and collection of an income tax more practicable, thus giving land-holders a chance to shift even more of their taxes to wage earners and Capital-owners. This tax made tremendous sums available to the Federal government to spend on paternalistic schemes that multiply as new pressure groups form to seek special privileges in the vain hope of counteracting the evil effects of special privileges already accorded other groups. Now that the income tax has gotten out of hand, even the land-holders protest.

The economic theory and political policy which produced the great tax shift is quite clear. Laws were passed so that the states and the federal government could take on more of the costs of road building, education and public welfare functions formerly provided by the local communities. The great increase in transportation and communication facilities made such a shift of functions seem logical. Then came the economic trick — *the great switch.* When the local governments provided these services, the property tax, which was primarily a land value tax, was used. To finance their newly assumed functions the Federal and state governments began to use