

Run The Government Like A Business

If Mitt Romney and the corporate backed candidates for congress win in the next election it seems more than likely they will, at the very least, want to run our governments like a business. Is this a good idea? It's hard to imagine anything less equitable or inefficient than a system that takes from each a percentage of their income or outgo in a sales tax without any reference to the value of benefits received by the taxpayer.

Exactly how they would run the government like a business, I can only imagine. I suppose they could have each level of government charge for the services and the infrastructure that people use? Certainly the government could charge for each mile that is driven on all the roads and highways with an Easy-pass. Governments could charge for many things, but, how they would charge for police and fire and national defense, I have no idea.

However, when we think about how the economy works, there is an amazingly simple and efficient way to run the government like a business. It is simply a free market exchange: title to the natural opportunities on which we live and work and from which we produce our food, clothing, shelter, and everything else we consume, in exchange for the rental value of those opportunities each year.

It is well imbedded in our consciousness that those who steal the results of our labor, whether it be a robber or the government, have, to an equal degree, transgressed our inherent right to our selves and our own existence. And we all need access to land. To say that one person has a greater right to the ownership of land is to say that he has a greater right to life, for no one can exist without land. Our inherent sense of justice demands that we all have an equal right to the landed opportunities and an exclusive right to the fruits of our labor.

By supporting government with the rental value of land we can eliminate all taxes that confiscate the fruits of labor and productive investments, and make the natural opportunities of our land a common asset for us all.

The value of land equals the advantage. When a house is in a safe neighborhood, has nearby access to the freeway, is located in a good school district people pay extra. Those external benefits are not produced by the builder, but the government—even though the builder sells them along with the house. Each of those advantages adds to the value of the land. What about an ocean view? It's value comes from the exclusive

title government gives to a natural resource, no less than the title to land with oil or gold.

Look at the most valuable industrial land. It has the deep water advantage for a port; it has access to railroads and heavy duty utilities. If the rental value of the land was paid to the government, not only could the corporation and its stockholders keep what their corporation produced, but if the river ever needed dredging or rail service was interrupted the rental value of the land and the corporate payment to the government would fall by the same amount.

Almost every public expenditure worthy of making, either increases or prevents from falling the rental value of land. A government that ran like a business would charge for those values. Land is a natural opportunity. It could have no value without a government granted title to its exclusive possession.

The larger and denser the population the greater the potential for each person to specialize their efforts—to produce in economies of scale. A supermarket in a village of 50 people would be a waste of labor and capital, but a supermarket in a city of 10,000 is a super efficient application of both.

The larger and denser the population the more efficient each person has the potential to become; but, because the land on which the population is dense is already owned, all the greater productivity is accounted for in the rental value of the land. Ultimately, it is the presence of people that creates the value of land. But, without the infrastructure and public services: water, sewer, streets and bridges, police and fire protection the density of population would be limited; the efficiency of people would be diminished, and the rental value of land would be a small fraction of what it is or has the potential to be.

The public collection of rent is a system of equal and common opportunities with the guarantee that the government will not rob anyone of the fruits of their labor. If this system of running the government like a business were implemented, not only would the workers and all producers enjoy for themselves what was being stolen in taxes, but the unused and underused land would be put on the market. Some land would have no value at all. Their labor and capital would get their full rewards, and this free land opportunity would offer an alternative that would raise the rate of wages everywhere. Free land is what gave America the highest wages in the world, and free land would again give America the highest wages in the world again.