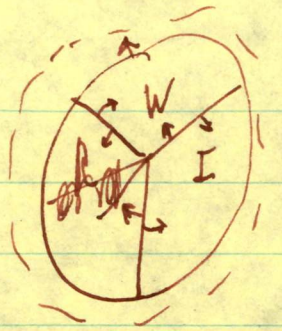
Class on George + Veblen



1. a) $W \uparrow$ $I \downarrow$ R

b) $W \uparrow$ I $R \downarrow$

c) $W \uparrow$ $I \downarrow$ $R \downarrow$

d) $W \uparrow$ $I \uparrow$ $R \uparrow$ bcs. product goes up

$W = P - I - R$

Ec. 132, Wed. Jan. 16, '80

George on land taxes

Ch. 3

Canons of taxn

1. Bear lightly on prodn. Tax the hell out, & not one sq. ft. will put on its shoe & walk out of town.
2. Cheaply collected
   Direct – no excess burden, no shifting. Land supply is fixed
3. Certain. ~~At~~ Least discretionary excess by administrators. Custom house easier smuggling. Concealment.

4. "Bear equally". Sys no one can advantage over others.

~~Consumer~~ Consumer taxes are hard on large families.
Labor income deserves a reward, adds to general fund. Land income only takes from it.

Ch. 4

1. Land can be valued
2. Taxpayer knows he pays
3. Δ middle class.
4. Why opposed? Taxpayer knows who he is. ~~Tax~~ Tax "does not distribute itself".
   When "the masses" see it, they will push it through. (So far, tho. masses have been pretty dense about diff.

between taxing rent & looting.)

Ch. 1 Prodn. of wealth

Unburden it.

+ externalities, add to l.v.

Compact settlement. End sprawl.

Taxes wd. activate prodn., instead of stifling it

Taxes wd. replace mortgage installments

Employers wd. compete for workers, (to use land), bcs. workers cd. get land & employ themselves.

Demand for goods wd. create its own supply, as hungry men went to work. Access to land solves macro-econ. problems.

Ch. 2 Distr., & hence prodn. / + w/o hunting incentives!

Counteract inequality. Distribute rent equally.

Reduce welfare costs

Improve character

↓ productivity by paying labor more. By ↓g freedom & initiative, make people more resourceful, inventive, motivated. "G.I. ingenuity"

↓ security & serenity of all.

Ch. 3 Indivs. & classes

Landowners will gain, lose. Improvements exempt.
Reduce sprawl, rural & urban.

Ability vs Performance. (Aptitude vs. achievement)

"availability" of K.

Major Points, P + S

Intro: The Problem

Tech. progress has not helped the poor, but acted like a wedge thru society.

New Hums + Vandals in Nature of college + libs. (cf. Yale)(Columbia).

Education no answer — unemployed intelligentsia grows restive. (True, as elsewhere, H. G. said it first.)

Deductive approach, from axiom of least effort.
Comparative approach, wd. cf. societies
Inductive " , "to interrogate facts", challenge authority.
Radical approach; be prepared to challenge basic mores., like true scientist. (Of course this is what most ~~ecists~~ who call themselves ecists are not prepared to do, which is why ecs. has made so little progress as a science.)

Bk. II Pop. & Subsistence

Ch. 1 The Malthusian Thy. its genesis & support.

1, Bibliography. Extensive & Intensive Mgns. - p. 97

2. Analogy from animals & plants, excess reproductive capacity.

3. Thy. prevails bec. it is soothing to land holders, who dominate thought.

Passim demand for reform. Life boat thy (p. 99 ours fenced in from drowning sea.)

4. Darwin drew on Malthus (100-01).

But Darwin added idea of evolution & progress — dynamic Malthusianism.

(Cf. Wallace — + distribute).

Ch. 2 Influences from facts.

1. Pop. Δs fast only where struggle for existence is intense: i.e. on frontiers, & in poverty.

2. Malthus cd. only be right if there were no other causes.

3. If M. were right, earth wd. have been o'pop. long since — but now "the wild beast licks her cubs where once were busy haunts of men." (Cf. Omar Khayyam).

Pop. has often declined (Mesop., N. Africa, Yucatan, Angkor Vat, Peru, Vermont, Scotch Highlands, etc.)

4. Migration has depopulated many areas.

5. Traditions from dense countries have generally favored large families, not small.

6. Families often become extinct. Many peerages lapse in England.

7. In China there are only 22,000 descendants of Confucius.

8. Parts of Eur. are more densely pop. than China or India.

9. India, constant looting by warlords.
English, at first, were even worse.
Then they stopped the outright crime, but substituted looting via law: taxes, (land + salt), interest, frauds.

10. Eng. p.w. were costly fetishes — (cf. Ireland) unjustified exactions of native K.

11. Eng. govt. taxes Indians + remits money to Eng — but not clear how. (Cf. Argyll's later attack on H. G.)

12. Btm. line: much of produce of India sent as tribute to Eng. (same as Ireland).

13. China, security for Capl must be bought from a Mandarin. Piracy is a trade.

14. Malthus is a kind of Parkinson's Law of pops.

15. Ireland.
A. No security — most were tnts. - at - will.

15. (cont.)

(Cf. "The 3 Fs: Fixity, Fairness, Free Trade")

B. Ireland exported food — to pay rent.
They lived on potatoes. All else was taken away.

C. (Ireland + "The Dismal Science." Cold, calculating condescension of the English.)

D. Ireland pop
1727 — 2 m. Swift's Modest Proposal.
1838 — 8 m.
But the 2 m were just as poor as the 8 m.

E. p. 126-27.
"... who only occasionally murdered a landlord."
A man of direct action, son of the frontier.

Ch. 3

Influences from Analogy

Redundant reproductive power of plants & animals. Analogy to man? Animals one difference.

1. Limited by ~~other sp~~ predators

Man removes predators, ~~grows~~ thus Δs his food.

2. As Eur. s. populated U.S., food Δd. But man caused the food, not v.v.

Other predators reduce their prey; man Δs it. (too optimistic about salmon!)

3. Cities trade for food. E.g. of London (but forgets here that London exploits Iceland & India.)

4. Cons. of matter & energy. (Ignores 2nd law)

5. Beasts use surpluses only to multiply. Man moves to higher wants.

a. Nouveaux riches stage

b. Intellectual, spiritual - p. 136

So, pop. tapers off. E.g. NW Europe, as we see today. But not Mexico.

(War & baby booms)

Ch. 4

Disproof of Malth. Thy.

As pop. of U.S. & Eng. grow, output/cap. grows faster.

Indl. depn. attribd. to o' prodn. by some.

Modern thinking re Malthus.

a. Terms of Trade
b. Farm surpluses
c. Energy shortage
d. The pill
e. Women's lib.
f. Anti-ecologist policies

Energy panthers — Sunbelt syndrome — P-13 — tax upward mobility — soc. sec. & payroll tax

Enormous hostility toward youth.

LVT

Philosophic Rationale

1. Organic theory re land
   Indiv. re persons.
   Modern version of Wm. Conqueror. Consistent w. common law.

2. L.V. is public value
   Nature: govt; synergy.

3. Puritan ethic; prody. thy.
   Only functional income allowed.

4. Sharpen allocative incentive.
   Lubricate mkt.
   Reduce need for reserves
   Raw mkts
   Expansion

5. Land pays the tax. In rem.

6. Stewardship
   Makes owner use land to help all:
   Taxes; jobs; output.

7. No tax on unfenced land.
(or r.o.w.)

8. Tax unearned inc. more than earned.

9. Social auditing – Performance Standard
What have you done w. the golden Talents?