

Each of Us and All of Us



Should the ground rent be divided equally to each of us as individuals, or used for the benefit of all of us as a group? Should the bounty of the Earth be given out as \$1,200/month to each person, or only support projects that benefit all of us, such as parks, police protection, fire protection, streets, and so on?

Most readers are by now aware that the [Earth Dividend](#) funds both. The purpose behind this module is to show the problems of either, in isolation, to better understand how the Earth Dividend eliminates these problems.

The “each of us” solution provides everyone with equal periodic cash payments. It materially benefits the unemployed or those with low wages. The wealthy gain little direct benefit from this insignificant source of income. In that sense, it appears to be a boon for equality.

However, cash payments raise the question of who will pay for police and fire protection, streets and sanitation, good government, education, and healthcare.

A goal of the collection and distribution of ground rents is to eliminate taxes on production. Yet if the ground rents are distributed equally to everyone as cash, taxation is required to pay for these important services.

Is voluntary taxation a possible solution? Not really. It ignores the [tragedy of the commons](#), which holds it is human nature to say “I won’t be the sucker” when confronted with a personal sacrifice for the “greater good”.

Without taxation, the result of a 100% cash distribution is private ownership of public services. Private police forces would be every bit the nightmare one could imagine. Those with stronger police forces will have the “right” to take the life and property of those with weaker or no police forces. It would be difficult, if not impossible, to protect the right to life and property.

The situation with fire protection is equally tenuous. What does one do about an unprotected house threatening private protected structures? What is the response to a burning residential block where each house is protected by different private fire protection services and there is only a single hydrant?

There is a likely response to the privatization of public services. The average person will be forced to seek protection on lands controlled by a wealthy benefactor, in exchange for fealty and a surrender of distributed cash. The 100% cash distribution ultimately leads to a form of feudalism. Large landowners from the old economy would be the new feudal lords.

These problems could be solved with a tax. However, one benefit of collection/distribution of ground rent is elimination of taxes on productive labor.

The “each of us” solution leads to either feudalism or taxes on productive labor.

The “all of us” solution provides and only provides public services from the distribution of ground rents. Ground rent is a purchase of [location value](#). The more ground rent you pay, the more location value you get. Location value increases business profit, provides a comfortable lifestyle, or increases social status.

A wealthy industrialist’s purchase of location value is not a “progressive tax” as some would argue. It is no different than the purchase of a private jet or capital goods. Those purchasing location value are paying for a more efficient use of distributions, not a greater per capita share of distributions.

Public services have more benefit to the rich than the poor. Infrastructure is a requirement for successful businesses. Infrastructure provides better access to supplies and worker access to the workplace and makes the region attractive to consumers.

Police officers and firefighters primarily protect property. Their value is proportional to the amount of property one has to protect. For some on the margin, police protection is seen as law enforcement and a negative.

For those without food, housing, or medical care, building of giant infrastructure has no value at all.

The “all of us” distribution is identical to the “each of us” distribution with an additional tax levied. In this case, the amount of tax is 100% of the distribution. Since everyone receives an equal distribution of the Earth’s bounty, everyone pays the same tax.

A head tax where every person pays the same amount is considered the most regressive of all possible taxes. Inasmuch as public goods and services benefit the

wealthy over the poor, funding them with a head tax plumbs regression to new depths.

The poor actually receive fewer public goods and services despite receiving equal per capita distribution. Although everyone pays the same head tax, service effectiveness is a function of density. Services are per person, so the money for public goods and services is divided equally between dominions based on population.

Those areas with the most density receive the most funding with sparse areas receiving much less. An equitable distribution of public goods and services shows a high correlation of spending effectiveness with population density. Economies of scale favor aggregation of population.

For instance, \$33/month/person for police protection can only buy the wilderness pioneer a down payment on a shotgun, while it can support a high-tech efficient police force in the populated downtown.

The more spent on needed public infrastructure, the greater the value of the land. The greater the value of the land, the higher the ground rents. Higher ground rents drive the poor to the outskirts of the city. Services are less efficient in an outlying ring than the far denser circular topography of the city itself.

Wages both real and nominal are lower at the margin. Nominal wages must be taxed to augment less efficient public services. Real wages buy less services. With the "all of us" distribution, inequality between the center of the city and the outskirts will continue to grow.

One of the goals of distribution is to protect the [objective rights](#) of life and property. The objective right to life requires food and shelter, but these are not universal public services.

With the poor driven to the city outskirts, spending effectiveness for police, fire protection, and healthcare is less. Even if education was considered a public good, and free, the issue of food and shelter while studying remains a problem.

This is unequal protection of the right to life and property given an equal per capita distribution. This is a problem only because the exodus of the poor to marginal land is not voluntary.

There are those who argue that once land is in the [commons trust](#), there will be a surplus of opportunities and no need to worry about a systemic underclass.

Land in the commons trust creates a surplus of employment opportunities for those ready, able, and willing to work. It does nothing to help those who are too disabled to work. It does nothing to help those who lack the education needed for modern employment. It does nothing to help the aspiring author who must write 5 bad novels before their first best seller, or the inventor spending twenty years working on a cure for cancer.

Nothing about equal access to the land encourages [voluntary collectivism](#). Given the “all of us” distribution paradigm, starting a new business will be as difficult or more difficult than it is today. Strangers and refugees will not be welcomed. There is no mechanism in the distribution scheme for exploiting economies of scale and division of labor.

In the “all of us” distribution, a 3D map of location value will evolve toward mountains that are steeper and higher, not unlike today, but will grow faster and with greater efficiency. The poor will be driven to the outskirts of the city. Lacking access to equal education, lacking efficient public services, resentment and rebellion will grow. Those not willing or able to find employment could end up dying in the streets. Raids on the inner city are likely.

A cash or benefit entitlement, not unlike the food stamp and other aid programs we have in place today, would nip the barbarism in the bud. Such [programs foster the cycle of poverty, discouraging employment, thrift, and economies of scale](#). The Earth Dividend was supposed to end the need for welfare systems, not accentuate that need.

The symmetry is clear. Distribution to “each of us” necessitates a tax to prevent feudalism, while distribution to “all of us” necessitates an entitlement to prevent barbarism.

In the module [Earth Dividend as Synthesis](#), we see that “each of us” solves the problems of “all of us” and “all of us” solves the problems of “each of us”.