

## Footnote: Land, Wealth & Capital

*The power that drives all the economies of the world today is capital. It is the essence of wealth and power. Why then do I see land as the future basis for personal wealth and security? Because only land can turn labour into the needs of life. Capital is nothing more than a well-engineered illusion. [PDF]*

Wealth is the measure of human needs and desires. There is only one fundamental mechanism that produces wealth. That is the application of human labour to land. In this context, human labour includes the mental as well as the physical. Land is both the space and the substance of any habitable part of the planet's surface.

All food, water, buildings, machines, energy, infrastructures, chemicals and art forms obtain their existence as a result of applying human labour to the substances of the land. The space in which occurs all the human labours of extraction, fabrication and thought again is provided by the land. Land is the fields that grow the food. Land holds the substances that come from the mine. Land hosts the factory in which human labour changes them into materials, machines, fuels, medicines. It is host to the homes in which we live and to the wilderness in which we wander.



In the beginning, land was an open environment like the ocean. The human being was an opportunistic nomad. He took his needs from what was around him. When there was nothing more, he moved on. The population increased and land became scarcer. Some places were more desirable than others. Those who were stronger commandeered the more desirable places, fenced them and defended them from intruders. The more powerful and the more greedy commandeered larger and larger areas until no place remained free. An *exigent few* took by force all the land and left *the many* dispossessed.



Deprived of the only means of turning their work into their needs of life, *the many* were left with only one option. They had to become the kept slaves of *the few* who had taken all the land by force. The *powerful few* then exploited the labour of their slaves to make themselves rich and comfortable, while allowing their slaves only the minimum necessary to keep them alive and working.

Some slaves used their minds to invent ways and means to lighten their burdens of toil. But this made them more efficient. So not as many slaves were required to make and keep their masters rich and satisfied. Many became superfluous and were expelled by their masters. Having no land, they had no place to go. So they congregated in small clusters at the crossings of the ways. These little clusters later grew into towns and cities. To live without land, the exiled slaves had to develop their own skills. With these, they made goods and provided services to sell to their former masters in exchange for their needs of life.

The margins on which the towns and cities stood still belonged to the *lords of the land*. The *lords of the land* therefore charged rent for these small *islands of sanctuary* occupied by their dispossessed squatters. This the squatters paid in the form of a portion of the goods and services they produced

and provided. The materials from which these exiled slaves made their goods, and the tools with which they rendered their services, could only come from what grew on - or was taken from - the land. These poor exiled former slaves consequently had to give some of their goods or service to the *lord of the land* in exchange for these also.

This system of barter was not always convenient. The *lord of the land* may not desire the particular good or service that an exile was able to offer as rent at the time the rent was due. A system of credit was therefore developed. All goods, services and property - and later the land itself - were assigned a numerical value. This took material form as an amount of gold or silver. When the *lord of the land* required the goods and services of the workers, he paid them in gold or silver. His exiled former slaves - the dispossessed many - then paid most of this back to the *lord of the land* for their rent, food and raw materials.



The *lords of the land* were free to bring as much or as little of their land into production from time to time as they desired in order to satisfy their needs. The same was true regarding their slaves. And they were free also to buy as much or as little of the goods and services of their *exiled former slaves* from time to time as they desired. Not so the exiles. These poor souls could acquire their needs of life *only* so long as their *lord of the land* had desire for their goods or services. Otherwise, they starved and froze.

Two ingredients are necessary to produce the needs of life. These are: *land* and *labour*. What the *lords of the land* had done by force of arms was to build a wall between *land* and *labour*. Within this wall they put a gate, which they controlled. They only allowed as much labour onto the land as they needed from time to time. All the rest was locked out. Furthermore, the needs of life that were produced by the labourer were forcibly confiscated from him by the *lord of the land*. The *lord of the land* gave back to his labourer only as much as his labourer needed to continue to live and work. Enforced segregation of land and labour was the mechanism used by *the few* to steal the major portion of the gain from the labour of *the many*.



This unfair disequilibrium was brought about and maintained by force of arms. Later, force of arms was replaced by force of law. However, since law is upheld by force of arms, this amounts to the same thing. Today, force of arms has, for the most part, been rendered unnecessary. It has been replaced by an insidious form of induction and deception that traps the labourer in a vicious cycle in which he must keep working for a master or starve.

With all his land, the lord was self-sufficient in all material resources. And there was more than enough human labour available to meet his every need. Consequently, labour was forever a buyer's market. The labourer was permanently locked into a vicious cycle of competition with his fellows. He had constantly to compete for the privilege of providing his lord with the goods and services his lord desired. The labourer who succeeded was therefore he who could best *market* himself, his reputation, his goods and his services to his lord. Some labourers became adept at selling. These succeeded. The others failed.

Those who failed became the employees of those who succeeded. The petty-bourgeois artisan was born. His skilled employees in effect extended the capacity and ability of his mind and hands. He now had power. He marketed himself, his reputation, his goods and his services further afield. He went beyond the jurisdiction of his lord to other lords of other lands. He competed with, displaced and absorbed the artisans and labourers within the jurisdictions of other lords. But the dominance of the technical artisan was soon to fade.

During this process, metals were superseded by paper money. Each paper note was a promise by the Crown or State to give to the bearer on demand the metal it represented. However, the Crown or State soon became insolvent. The paper notes represented far more metal than was available. The gullible people nevertheless remained confident in its value.



Labour became not only specialized in different technologies, but also in different aspects of trading. Laws came into existence that facilitated the creation of non-physical legal persons. Those best suited to form and operate these limited liability enterprises were those who specialized in law, accountancy, marketing and trading. Those with the technical skills - at whatever level of excellence - soon descended in economic rank. They became nothing more than "shop floor" workers. Those who owned and controlled these enterprises became new lords of a new land. But this was not real land. It was a virtual realm called the *free market*, which is with us today.

There is no ordered division of this new virtual land. There is no security of ownership. This new virtual land is conquered by the strongest of the time. But like the coming and going of ancient empires, when a stronger king arises, the established empire falls. It is invaded, then conquered - sometimes in whole, sometimes in part. Shares of this virtual world are held by the forces of aggressive marketing, tactical alliances, restrictive practices, cartels and mafias. Wealth is measured no longer in acreage and livestock but in capital and market-share. This wealth is not tangible substance. It is a nebulous notion of collective confidence in State currency and corporate image.

It is an illusion. Real wealth - the needs and luxuries of human life - is still generated only by applying labour to land. The greatest costs over the lifetime of most people are those of a tiny piece of land with a house upon it and the food, clothing and fuel they consume - all of which come from land. A substantial proportion of the costs of any enterprise is that for the office or factory space within which it conducts its business and the materials it uses - the space and substances of land.

As technology advances, fewer and fewer people are required to produce the needs and luxuries of life for all. So why is unemployment still frowned upon? Why do politicians still preach with such vigour the ethic of hard work? Why today are so many people still employed? What are they actually doing? Fewer and fewer people are employed in production. More and more people are employed in bureaucracy. This is not necessary for efficient production. It is the embodiment and realization of a system of law that facilitates the ordered and peaceful containment and exploitation of the poor by the rich. It is the mechanism by which the wealthy few bleed off their *ubiquitous percentage* at every step in the economic process to funnel into their own pockets.

Human beings do not need to be controlled by a corporate or State hierarchy either to produce the needs and luxuries of human life or to invent and develop new high technologies. They simply need the freedom and the means to work and to communicate. They only need to be controlled by someone who wants to bleed off for himself a percentage of what they produce - be it profit for a boss or tribute for a sovereign.

Suppose we divide all the habitable land of Planet Earth among its present 6,000,000,000 inhabitants. Then suppose we say to each one that he may do as he pleases freely without charge or tribute on his own land. However, if he uses anybody else's land he must pay to that person a rent for the land and a percentage of anything he grows on it or extracts from it. How would this affect metropolitan land prices and traffic chaos? Not much perhaps initially, but after a generation I believe we would see quite a different and more tranquil world. ../.

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