

WHAT MATTERS By LIONEL BOORMAN (Eastwood, N.S.W., Australia)

I agree with H. Jan Ritscher (GJ No. 29) who says that the effect on total rent as a consequence of a Georgist reform cannot be predicted. Nor can it be predicted whether the economic rent would be sufficient for public revenue.

Neither of these things matters. What matters is that economic rent is the product net or surplus product belonging to no one but belonging to all. It is the profit of association - society's true revenue now being privately appropriated to the detriment of society, its producer. The public appropriation of the economic rent is morally right, and taxation which is an assault on wages is morally wrong.

Nevertheless the sum total of production is by nature distributed as rent, wages and interest. If, as we believe, the public appropriation of the economic rent would raise the margin of production and thereby raise wages the ratio must alter at the expense of rent. The sizes of the slices of the economic cake would alter in relation to each other. As to whether there would be a bigger cake is another matter. In other words, if the cake did not grow larger the total rent must fall if wages rise.

-----