

CORRESPONDENCE

MR. CRAIGIE EXPLAINS

EDITORS LAND AND FREEDOM:

You will have noticed by the last issue of *The People's Advocate* that I was not successful in the last South Australia elections in winning the Flinders seat in the House of Assembly—a seat which I have held for the past eleven years. There was a determined effort made by both political parties to prevent me from returning to the House. At various times during debates I have freely criticized the party men and shown that their ideas were not sound. As they had no effective answer to my criticism, both parties combined to see that I was not elected. They issued "How to Vote" cards, and both parties put my name at the bottom of the list. I was at the top of the poll on the first preference vote, but when it came to a transfer of votes I was defeated.

Although I have not won the seat I am not downhearted. There is a lot of educational work to be done for right principles, and I shall continue to do my part in this direction. Many voters are already regretting the vote they gave against me, and there will be further opportunities for doing work in Parliament. A great number of electors are carried away with the war hysteria, and thus easily led astray by unscrupulous party leaders.

I read with interest of the work being done in America for Henry George principles and regret that there is such a difference of opinion as to the best means of propaganda. There is work for all to do, and anything that will give publicity to our principles is, in my opinion, doing educational work for the Georgean doctrine.

Adelaide, South Australia

E. J. CRAIGIE

HENRY GEORGE AND "ISM"

EDITORS LAND AND FREEDOM:

The suffix "ist" and "ism" added to a name or a cause carries an implication of disparagement to the mind of the average person. Webster's Collegiate Dictionary defines an "ism" as a distinctive "system or practice—usually disparaging."

For example, the word "sophos" (Greek) means wisdom. Our word "philosopher" means one who loves wisdom, with no disparagement implied. On the other hand, Webster's Collegiate Dictionary defines "sophism" as an argument intended to deceive or embodying a subtle fallacy; and "sophist" as a master of adroit and specious reasoning. "Philosophism" is defined as "spurious philosophizing."

"Ist" and "ism" imply something false, fallacious, spurious, adulterated, specious, subtle. The words "Georgeism" and "Georgeist" fall unpleasantly to the ear. Our diction would be improved by avoiding "ist" and "ism" when referring to the followers or principles of Henry George.

New York, N. Y.

WALTER FAIRCHILD

AN "INCONSISTENCY" CLEARED UP

EDITORS LAND AND FREEDOM:

In your last issue, Mr. A. G. Huie's article, showing that under the Sydney practice of exempting improvements and raising municipal revenue chiefly from land values, the value of land has continued to increase, and my article, arguing that land value taxation will ultimately take away the selling value of land, seem to be in conflict. That, however, is seen to be only a surface impression when the facts are analyzed.

1—Sydney is the second largest city in the British Empire in white population, and being the principal trading center of Australia, its land values are great on both counts.

2—Sydney's budget does not include either the cost of education or of police. These are considerable items in our civic budgets here; but the State of New South Wales looks after these functions and they are paid chiefly out of income tax and especially out of a wage or payroll tax. Land in Sydney is therefore relieved of the incidence of these two heavy taxes, which would make it relatively more valuable on a selling basis.

3—New South Wales, unlike its sister State of Queensland, does not now levy a state land tax. Landowners in Sydney, however, pay their share of the Commonwealth, or Federal land tax. The Commonwealth land tax, however, is not a heavy impost, being but a relatively small percentage of Commonwealth revenue. These facts both contribute to keeping up land values in Sydney.

4—Sydney's taxation system has contributed greatly towards making it the thriving and beautiful metropolis it is. It would seem inevitable, however, that if and when the State and the Commonwealth see the wisdom of raising their revenues also on the use value of land, the selling price of land and its assessment on that basis will disappear, and the necessity for the Woodward formula will arise. That may be some time in the future, but it should be gratifying to Georgeists to know that not only have we a real science of economics, but also a scientific methodology in applying our principles.

Ottawa, Canada

HERBERT T. OWENS

MR. SCHLEY DISCUSSES RENT AND GOVERNMENT

EDITORS LAND AND FREEDOM:

In his criticism of my article, Mr. James Snyder says, in your last issue, that the "collection of rent" and the "taxing of land values" are projects so "different that one of them can wreck the best laid plans of Georgeists." I fail to understand the distinction. The rent of land is the income derived from the ownership of land which is in excess of the income derived from the best free land in production. The owner of rent-producing land can hire labor to work his land by paying a wage equal to the amount labor can get by working the best free land available; and merely by exercise of the sole function of ownership he can keep the difference between the wealth his better land produces and that which the poorest land in use would yield to the same quantity of labor. This difference is the rent of his land. This rent accrues to the landowner for the sole reason that his title of ownership is socially or legally recognized and enforced, not for any productive act of his.

The market value of land is a mathematical function of its rent; it is caused by its capacity for yielding rent, which is the income the landowner does nothing productively to earn and which is what he sells when he sells the land. Land that is exchanged for wealth thus has its value set by the amount of rent it yields; and the amount of its value is precisely equivalent to that of any other investment that returns an income equal to the rent yielded by the land, speculative inflation apart. In the jargon of the economic writers, the value of land is its rent "capitalized"—the calculation of what quantity of capital would return that quantity of income. To collect the rent of the land and to tax it at the full going income of its capitalized value are therefore one and the same operation—by whichever name you call it, the effect is to pay the expenses of the state by taking the income yielded by the ownership of land; or so at least I have always understood the matter. If Mr. Snyder has valid ground for distinction of two processes named by the two phrases, I regret to say he has not made it clear enough for me to see.

From a distinction that seems to me hollow, Mr. Snyder goes on to use two senses of the ambiguous word "value" as though they were interchangeable, and so arrives at an absurdity. He says, "If we tax land values 100% the land values disappear, we have neither tax base nor taxes, the government is bankrupt." If we tax land values