

Gilbert M. Tucker, Albany, N. Y., author of *The Self-Supporting City*, replies as follows:

The kindly comments, in a recent letter to the News from Mr. W. A. Dowe, the Director of the Australian School of Social Science, regarding my article on Land Values in the November issue, are much appreciated and, what is far more important, the letter stimulates discussion of an important question.

I am in complete agreement with Mr. Dowe on the principles involved but I am no more satisfied with his terminology than I am with my own. He uses the words "land value" to cover exchange value (or price) of land, and describes what we sometimes call "use-value" simply as rent. He adds that this gets around the difficulty resulting from the common mistake of using the term "land value" indifferently to mean the sales value to the owner and the full capitalized value of equity of the owner, plus equity owned by the city as exercised in its taxing powers.

The dangerous confusion which results from this muddled use of words, Mr. Dowe illustrates by a paragraph from the New South Wales tax law. When such phraseology creeps into legislation we are in trouble, for we describe in the same words a value which would drop to zero and a value which would soar to levels undreamed of today, when our tax system virtually prohibits profitable use of the land. We find ourselves advocating the taxation of land values by a plan which would automatically wipe out land values! And this is not a mere quibble but a vital error which might easily wreck wise tax reform, and, as Mr. Dowe points out, such errors may be extremely difficult to rectify.

Mr. Dowe is a clear and accurate thinker but is there any reason why the value of land should not include the value of the equity lodged in the city, as exemplified by its taxing power, as well as the equity of the title holder? To arrive at the true value should we not capitalize the entire rent paid by the holder, whether to city or to owner, and not stop at only one-half of it? I don't quite like this use of the word "rent" either. It is correct and accurate but it connotes undesirable ideas in many minds and arouses antagonism.

George himself sometimes slipped and used unfortunate expressions which, taken out of their context, give a wrong impression. He made such statements as "we must make land common property," "we must abolish property in land" and "private property in land is unjust," and then a little later he says, "I do not propose to confiscate private property in land" and "it is not necessary to confiscate land". To the careful student the meaning is as clear as

the windshield after the boy lays down the chamois but many lack patience and will not continue to read or to listen. There is real need of clearer definitions for such words as property, value and rent.

As Mr. Dowe suggests let's hear from others and try to arrive at a reasonable, intelligible, and not over-technical terminology which will keep clear the distinction between value expressed in rent, whether paid to the landowner, the state or divided between the two; and the value of the equity of the title holder expressed in price. I have yet to find any terminology wholly satisfactory. We should certainly cultivate the habit of thinking in terms of ground rent, rather than in any capitalized value, but even ground rent is to many a confusing term, too often trickling off into a shadowy discussion of whether the trees were planted by grandpa or by the Creator and how much fertility came from burlap bags and how much came from the Almighty. Of course any discussion must clarify the distinction between true (or ground) rent, and rent in the common parlance of the day—i.e. the use of anything from land to a silk hat worn at a funeral.

There is a way to wiggle out of the hole by dodging the question and it has the merit of being psychologically sound. We now advocate collecting ground rent and collecting all of it, but why start with that? When we begin by talking about what we are going to take away from people, we get off on the wrong foot and make ourselves about as popular as Mr. Wallace was last November. More taxes, heavier taxes, seizing this and grabbing that, is not at all a happy introduction. Unfortunately too we are prone to take a crack at the wicked landlord and the naughty speculator and that does not make friends either, for many a Georgist profits or tries to profit by our iniquitous system. Why shouldn't he? He plays the game by the universally accepted rules too often content with dialectics and academic discussion.

Instead of this approach, let's take hold of the other end of the stick and talk about getting rid of taxes on your income, your factory, your sales, your house, your job, your payroll, or your pay envelope. Stress the blessed relief from iniquitous and pauperizing extortion and, when your listener begins to see himself on the road to glory, why then it's time enough to make him see that collecting ground rent is not taxation but only collecting a just payment for benefits and services rendered by a kindly government to a happy landlord. And he will gladly pay, for he is getting full value and he will profit by tax exemption far more than he will lose by a small increase in the levy on—well what? Won't somebody please help finish the sentence with some new and altogether happy phrase, simple, exact and crystal clear?