

By HENRY L. T. TIDEMAN

"I have had frequent discussions about the way to determine the ground rent under a Georgist system," writes Erwin W. Kaufman of New York in one of the first letters received by this department.

"Some groups maintain that economic rent would be determined by supply and demand. Others believe it could be accurately determined by assessments," Mr. Kaufman continues. "I realize that effective supply and demand will readily set the rent to be collected by the community; but if a parcel of land is not transferred for a long time, and if changes in land values have taken place, it seems to me that only by assessment could the community collect the full ground rent."

ANSWER: Mr. Kaufman is right.

What did Henry George advocate? If you will turn to pages 405 and 406 of *Progress and Poverty*, you will find these statements: "What I therefore propose . . . is to appropriate rent by taxation." And again, "we may put the proposition into practical form by proposing to abolish all taxation save that upon land values."

This is the capstone of the pyramid. All else in the book is intended to attract attention to the justice and practicality of the proposal and to what good may be expected from its adoption.

Our existing local tax machinery, i. e., real estate valuation and tax collection functioning, is the result of centuries of experience. All the techniques are known. The men operating it do a good job as it is; but relieved of the valuation of improvements, the assessors could do better. And with prosperous taxpayers, consequent upon the abolition of land monopoly, the tax collectors could also do better.

We come now to Mr. Kaufman's question, which, by the way, is a very practical one: Can this existing tax machinery by existing methods "collect the full ground rent?"

That, I think, is something about which we need not be too concerned. With all other taxes abolished, a very generous mill rate tax on land values will be needed. If there be much rent escaping the taxing power, it will not long so continue. One of the problems still remaining with us, I believe, will be to keep the tax money spenders within the available fund.

Eternal vigilance will always be the price of liberty.