

RENT

I agree with Dorothy Davies (*Progress*, April) and Syd Gilchrist (February).

It is not reasonable, for instance, to expect a farmer, having just paid a million dollars for a farm, to accept that rent must be paid for the use thereof. Described as a tax to end all taxation, the proposition becomes more acceptable.

Lazy perhaps, but it does save teaching each succeeding generation the theory of rent. Stripped to basics, the problem facing us is to make farmers realise that they are not landowners per se, but professionals using land as a tool, whose brain and brawn are more important than the land.

Some of the confusion Dorothy Davies refers to comes from the fact that

there are two forms of rent: economic rent and rack rent. Economic rent is the product of the land. Rack rent is the product of the labour of the tenant.

Our farmers have been bankrupted over the last twenty years by governments extracting rack rent by the use of indirect taxation and usurious interest.

Unfortunately only a Georgist can comprehend that.

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