

How to Win an Argument

by JOHN R. FUCHS

Since the publication of my book, *Constructive Taxation for Free Enterprise*, I have been asked on a number of occasions to speak to groups who had no previous knowledge of this subject, and since many people seem interested in presenting the Georgist philosophy publicly, I offer my experiences for whatever they are worth.

First I prepare my audience. I tell them frankly that what I will propose as a substitute for our hodgepodge tax system may be new, revolutionary and even radical to them. But I remind them that that should not scare real red-blooded Americans, for do we not owe everything we hold dear and sacred, our freedom and our liberties, to a revolution? And if radical, it is only so in the best sense of that term, in that it goes to the root of the evil; that it is in harmony with our ideals of a good government, recognizing the dignity of the individual; that it will make government more simple, more democratic and will create that "opportunity" about which politicians have been orating these many years.

Then I may depict to them the many inequalities in our present tax system and the evil effects of it which are so well known to all of them. I tell them these criticisms have often been leveled against our present tax system, and in a simple way I point out the vast difference between land and personal property.

The questions are an important part of the exchange, and sometimes the most obvious answers are the most difficult to drive home.

Will it produce enough revenue? I tell them frankly that I do not know that it will. And in turn I ask them a question: What would you think of me if I found your purse that you had lost, and I would not return it, because it does not contain enough to satisfy your wants? Of course I go further and try to show why I think that it will produce enough revenue to satisfy the legitimate needs of government. In answering this question the speaker has a fine opportunity to point out how through the simplification of governmental machinery the expenses are greatly reduced. For illustration the income tax: it not only costs the government large sums to process and collect the income tax, but every Tom, Dick and Harry, every individual and every corporation, has to employ extra help in keeping accounts, making reports, trying to find means and ways of getting by, and finding deductions. This surely runs into the billions. All this could be saved.

Then what about the man who has "invested" money in land? You better not tell the questioner that money cannot be "invested" in land. Again I admit frankly that a man who bought a piece of land would be hurt temporarily, if he bought the land for speculative purposes. It is not enough to show that speculation in land is an evil which our system will cure, I go further and show how this so-called "investor in land"—if he bought the land for the purpose it should be used for would be well rewarded in; that

all his buildings, his personal property and his income would not be taxed.

Who wants to own land if only the land is taxed? I find that most lay audiences are completely satisfied when I tell them—you want to own it now when you pay taxes not only on the land but on everything else you own. This may be one of those foolish questions, but no matter how ridiculous it seems, it must be answered. Also it presents an opportunity to point out the obvious. You know of course the most effective speech is one that begins by telling the audience what they already know and building on that.

"If what you advocate is so good

why has it not been tried?" Every Georgist has heard that one many times. I point out that not only has it been tried, but it works. "But not in the U.S.?" To this I reply that if they will write to Percy R. Williams of Pittsburgh they will find out that the principle has been in effect there with great success.

Incidentally, I would like to suggest that after students have taken the Fundamental Economics course in the Henry George School they should be taught how it can be applied. For this purpose the speeches of Henry George could be studied rather than his books, for it was in his platform addresses that he spoke directly to the people.



"HENRY GEORGE SINGLE TAX PLAN CAN WORK HERE"

H. Bronson Cowan of Ottawa, author of the carefully documented and illustrated book, *Municipal Improvement and Finance*, published by Harper & Brothers,* was quoted by several Pittsburgh newspapers when he urged at a recent conference that municipalities impose taxes on land only, not on improvements.

Mr. Cowan, as director of the International Research Committee on Real Estate Taxation, reported on the five-year study described in his published report. Speaking of current tax policies he said, "Nothing has been done to control speculation in land values. What has been done has tended to increase speculation.

"The announcement that large sums of government money are available for housing and slum reclamation purposes promotes speculation on a large scale where the monies are likely to be expended. This becomes a sinkhole for a considerable part of the available funds."

Mr. Cowan pointed out two present forms of capital taxation which divide taxpayers into two classes: those who own the better types of buildings and those with the least desirable types of property including slums and vacant areas. Citing his studies abroad, he showed that this tax policy discourages improvement, while the municipal land tax, which in Australia and New Zealand is widely accepted, has a powerful effect on slum and blighted areas. "The worst speculation," he said, "is not on vacant land—it is right in the heart of the city."

George's theories have worked in large cities in Australia and can work in American cities too, this Canadian tax specialist declared.

**Municipal Improvement and Finance: A Graphic summary of Land Value Taxation in Australia and New Zealand*, is available from The Henry George News, 50 East 69th Street, New York 21, N. Y. at \$3.