

THE "VALUE" OF A NAME

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In the recognition of future avoidance of effort lies the core and center of Value. To me this is the bridge over which all writers and thinkers on economics must be made to pass if we are not to founder in the muddled waters. Once across, we find well-posted country rather than "the endless labyrinth."

The pointers then lead to a set of scintillating definitions or distinctions that first seem to have been put on record by John Ruskin in his Munera Pulveris of 1872, as follows:

"Value is the life-giving power of anything; cost is the quantity of labour required to produce it; price is the quantity of labour its possessor will accept in exchange for it."

Altering the wording of Ruskin's "value", its economic meaning surely is, "Value is the quantity of labour that possession of anything will enable its possessor to avoid."

Due to the less fortunate terminologies of the last century, most of us who work for revenue or land-tenure reform have been accustomed to wordings that misuse or tangle those phrasings. For instance, the vast majority of references in Progress and Poverty to "the value of land," "land values" and the like, are references to land price.

Similarly, "land value" has gained acceptance within our organizations both as objective and in many cases as their name. The result has been scads of argument and needless multiplication of effort, for almost always both supporters and the public took our aim as being the taxation of land price rather than of the rental.

That needless exertion can be avoided if we avoid the erroneous use of the word "value." Our target is site rent as public revenue; or ground rent, or site rating, which would display the mechanism for it - but definitely not "value."

Of course, the error has persisted for so long that it is well ingrained and its removal will demand a lot of self-discipline both individually and organizationally. But the real meaning of "value" is so distinct from that of "price" that the effort will be worth while.