A Word With You

THE recent cut in income taxes is being hailed in most quarters as a great step forward. On all sides we hear the learned explanation that with less withholding tax taken out, people will have more money to spend and this will stimulate the economy.

It's really admirable the way the experts can turn with the wind like a weather-vane. Not long ago we were hearing that the reason for higher taxes is that the "private sector" of the economy has too much and the "public sector" should have more.

Experts, in fact, are just like people – and people are too prone to accept whatever system is thrust upon them, whatever monstrous burden of taxation is put upon their backs.

They say that in the concentration camps, when a victim was beaten up, at the moment when the beating was stopped, the poor wretch would feel gratefulness and even affection for his tormentor. Such, I suppose, is the reaction of most of us to the tax reduction – so accustomed have we become to being robbed!

Unfortunately, the main thought most people give to taxation is not how to change the iniquitous system, but "how can I wriggle my way through it?" A recent fund appeal from a church stressed not only the importance of giving but also the importance of figuring out the tax angle. In fact, says this appeal, it's practically a sin not to take advantage of the intricate and complicated federal tax laws so as to give more generously to the work of the Lord. Nothing is said about the sin of the tax system, or what the Lord may think of the robbing, cheating, venality, temptation and hypocrisy involved in the whole business.

It may take people some time longer to realize that no one is safe when the system is unjust. At present, it seems pleasant enough to recoup those few extra dollars – especially when the trend of taxation for the past fifty years has been nothing but upward.

But already there are clouds on the horizon. Some states are planning to increase their own withholding taxes. It's going to be harder to make loans, as the terms will be stiffer. All our economic experts can do is prescribe an alternation between chills and fevers. The remedy for the chill of economic stagnation is easier credit and lower taxes; but that leads to the fever of inflation, and the remedy for that is tougher credit and higher taxes.

The tendency of land rent to quietly absorb all the gains goes quietly unnoticed. This real cause of the trouble will soon be at work on the tax rebate. The average man is caught between two millstones – if taxes don't get him, rent will – until he realizes that he can get out from under by turning rent into taxes.

—Robert Clancy

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The Henry George News, published monthly by the Henry George School of Social Science, 50 E. 69th Street, New York, N.Y. 10021, supports the following principle:

The community, by its presence and activity, gives rental value to land, therefore the rent of land belongs to the community and not to the landowners. Labor and capital, by their combined efforts, produce the goods of the community — known as wealth. This wealth belongs to the producers. Justice requires that the government, representing the community, collect the rent of land for community purposes and abolish the taxation of wealth.

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