

DON'T PULL OUT THE RUG

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Since E. P. Middleton in the Summer GJ has challenged me to do some rethinking about land value and has even given a hint as to how I should think, I cannot resist the temptation to answer back at the expense of prolonging the argument about whether or not collecting the land rent as a tax is the right way to do it.

I am not quite sure what Mr. Middleton means by "the true gold in the vein" and "the overburden" that has to be removed, but I suspect that he refers to the fact that land monopoly inflates the market value of land far beyond its real value. Land value, however, will not disappear after the monopoly has been destroyed by collecting the land rent. Only the market price will disappear. The true value of land will surely increase because of the increased demand for land which will accompany Georgian prosperity.

There are those who worry (quite unnecessarily) about how to measure land value after the market price of land has fallen to zero or nearly to zero. But we are not arguing about what land value is or how to measure it. We are arguing about whether or not it is expedient today as it was in the time of Henry George to collect the land rent as a tax.

Mr. Middleton indicates that collecting the land rent as a tax was only a temporary expedient, suitable at the time and seized upon reluctantly by Henry George. He suggests that, due to changes since then such as the establishment of the federal income tax, collecting the land rent as a tax is no longer a valid expedient. What then is a valid expedient today? All the Georgists that I know of who are working in the real world to promote the economic philosophy of Henry George are working at tax reform. If there is a better way these people need to know about it.

From the beginning rulers assumed the right to exact tribute from their subjects. When kings were replaced by elected governments the power to tax was still retained, although no longer was taxation without representation tolerated. The people are long since accustomed to considering taxes to be as inevitable as death. The chances of selling Georgism as a tax reform for justice and equality are certainly much greater than the chances of selling a reform that would deprive individuals and corporations of the right to private ownership of land. Surely, Mr. Middleton, you are not suggesting that the government can collect rent for something it does not own.

You, Mr. Middleton, know and I know that the land value tax is different from all other taxes and that, in a sense, it is not really a tax. I am convinced, however, as was Henry George, that there is no way that stands a better chance of getting the land rent for the people than collecting it as a tax. Why do we not stop pulling the rug out from under our hard-working, tax-reforming fellow Georgists?

Very quickly the movement started by Henry George became known as the "Single Tax Movement." George accepted that name and adopted it. Call me a Land Value Taxer, an Incentive Taxer, or better yet, like my father, a SINGLE TAXER!