

From Australia: To Tax or Not to Tax

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Mary Hutchinson (GJ 67) is correct when she says that our enemies now, and always will, resolutely oppose our philosophy and proposals whatever terminology we use. But I contend that the public is not attracted by "yet another tax," and that by eliminating the word tax from our propaganda we shall eliminate one formidable obstacle.

The word "taxation," however, is not the only defect in "the taxation of land values" which implies that land value, like rent, is socially and economically good and a fitting source of public revenue. But in fact, as Henry George says in The Science of Political Economy, land value is the most important form of value from obligation, and is thus the public enemy which we aim to eliminate. It is the foundation of unearned income and fortunes and the cause of poverty in the midst of plenty.

Land value is the "capitalisation" of the unearned income of privately misappropriated rent, and disappears to the extent that it is taxed. If taxed 100 per cent it will disappear altogether (although the rent itself, or course, does not disappear at all). The difference, therefore, between taxing land value and collecting the economic rent is very great.