

LAND VALUE TAXATION VS. COLLECTION OF RENT

IS IT A TAX? By V. G. SALDJI (London, England)

With reference in the editorial comment by Robert Clancy in the Autumn GJ, I should like to make an observation:

The first lesson I learnt 35 years ago at the Henry George School in London was that it does not matter what anything is called provided every one understands the same thing when any particular word or label is used, the important thing being that any definition should be consistent and not overlap with others.

The editorial comment reflected the growing criticism of the description of our aim as "land value taxation." My contention is that this wording, for all its 100 years of tradition, offends against our own guide lines - it is inconsistent.

To collect the publicly created land rent is to collect that which reflects the benefit enjoyed by each and every holder of land. There is a clear "quid pro quo" in this transaction. But I was unaware, until it was recently pointed out to me, that the essence of "taxation" as understood in current usage is a complete absence of any "quid pro quo." As examples I quote below some authorities:

"The essence of a tax, as distinguished from other charges by government, is the absence of a direct 'quid pro quo'." - Taussig, Principles of Economics.

"A tax is a compulsory contribution imposed by a public authority, irrespective of the exact amount of service rendered to the taxpayer in return, and not imposed as a penalty for any legal offence." - Dalton, Principles of Public Finance.

"Taxes are compulsory transfers of private incomes to governing bodies for the express purpose of arranging for the collective satisfaction of wants. The fundamental difference between this and the market method of finance is that there is no relation between the tax liability of any individual and the share of collectively provided services which he will be able to enjoy." - Ursula Hicks, Public Finance.

I am not pleading for any particular change of name but am hopeful that if these remarks are valid they will help in bringing about something more important - namely, an awareness that we are just as capable of inconsistency as those outside our ranks.