

Quid pro quo in taxation

The word "tax" will bear close scrutiny, since we are so much given to the use of clichés, pat phrases, slogans, and "label" thinking, and since we take so many things for granted. No one dropping a coin into a parking meter considers that he is paying a tax. He knows he is getting a privilege for a period of time, in the form of a contractual agreement with his fellow users of the thoroughfares. He does not pay any more to park a luxurious car than he would to park a "jalopy." *He is paying rental for the use of a convenient location.*

And so, as an exact parallel, payment of the land rental for specific areas, even though collected by an official des-

ignated as the tax collector, is in principle and fact *payment for something the payer receives*. He receives and holds title to the exclusive use of the area as long as he pays the "taxes," so called. If it were clearly understood that land rental is in precise relationship to the value to the user of a piece of land, one could see that it is *diametrically different* from a tax on income, improvements, and inventories, with no *quid pro quo*, no equal "value received." It might be claimed that the present-day taxpayer does receive certain public services, but it has been frequently shown, and it is obvious after a moment's thought, that these services all reflect themselves in the value of the land and its consequent yield of revenue. Not only is the present taxation on income, improvements, and inventories a drain on these good results of production, but in the end, under the present system, the money taken, insofar as it is used for the benefit of the city, county, state, or nation, increases the yield to holders of land titles. Hence it is perfectly logical to say that general taxation should be abolished or used only as a repressive measure, and that the public collection of the entire rental of land is *not taxation at all* and should become the major source of public income.