SOME QUESTIONS AND ANSWERS

(For the Review)

By ALDEN T. AMES

The following letter was addressed to me by the State Tax Commission of California. It will explain itself. I believe the questions and answers may be of interest to readers of the Review:

"For the purpose of ascertaining general opinion regarding certain tax questions raised in California and in other States, and in order that the legislature at its next session may have the benefit of your ideas, we submit to you the following questions and respectfully urge that you give us your candid opinion regarding the same and your reasons therefor. We are sending these inquiries to a hundred representative people in each county. Your name will not be given publicity.

Thanking you for your favor and kindly co-operation, I am,

WILLIAM V. COWAN, Secretary."

ANSWER—I do not favor the idea of setting aside certain classes of property to be taxed for certain purposes, as this would be unjust discrimination. Taking land values only will reduce the price of unused vacant land. The owners of same would be obliged to either cultivate their land or sell it to someone who would. If California would exempt from taxation all improvements on land and all kinds of personal property and place all the burden of taxation on land values it would, in my judgment, double the population of California in from three to five years. It is people that California wants—not idle acres.

QUESTION—Do you favor classifying property according to its earning ability and taxing it in proportion to that ability? Give reasons.

ANSWER—I favor classifying property according to its earning ability if by "property" the Commission means property in land earning ability as the real test of land values. Only 27% of the tillable land of the United States is farmed (Gov. Report). If that is true, and I do not question it, hardly fifteen to a possible twenty per cent. of the tillable land of California is farmed. The balance is held out of use for speculation. Were all of our taxes raised from land values, it would force this idle land into use.

QUESTION—Do you favor a system of indirect taxation for city and county governments, similar to that now used by the State? Give reasons.

ANSWER—I do not believe in indirect taxation for any purpose. Indirect taxation is a method by which the burden of the expense of government is placed upon the poor, "a system of getting the most feathers with the least squawking," because the average man does not know when or how he is being robbed by indirect taxation. When taxes are direct, the people know what they pay and why they pay it.