

The Single Tax Review

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Current Comment

THE provision by which new buildings are exempted from taxation, for a period of ten years, for which Borough President Curran was mainly responsible, is likely to be extended. This law exempts all dwellings whose construction begins before April 1st of next year. The modification suggested is an extension of the time for construction to one or possibly two years longer.

Fearing that this may trench upon the danger point, that the policy of exemptions may become increasingly popular and necessitate heavier taxation of land values, the newspaper organs of privilege in this city, are sounding the alarm. They are warning the legislators to go slow in the policy of exemptions. The *New York Times*, which once said that the Single Tax was "the ideal form of taxation," leads in these whispered words of warning.

THE exemption act is encouraging building in this city. It is a lesson in economics which may bring the people to their senses as to the far-reaching nature of the Single Tax proposal. For if a little measure in our direction helps then a larger measure will help more, and possibly bring permanent relief. It will never do to encourage the people to look at the question in this way. The experiment of exempting dwellings in part for a limited period, is dangerous. What would happen if we should become accustomed to the thought that it might be well to exempt every product of labor? We are to have more homes by exempting new dwellings from taxation. Maybe we would have more of everything if all taxes were abolished.

HERE is the danger foreseen by the organs of privilege. As you proceed along the path of exemptions midway somewhere there must come an increase of land values. Now this is not a bad thing—this increase of land values—if the community to whom it belongs gets it. It is an evidence of new sources of revenue at the command of the community. Exemptions mean more dwellings, and more dwellings with no higher land taxes, mean higher land values. But if this value is not taken in taxation it leads to land speculation, so that exemptions are not an unmixed blessing. The exemption policy may teach the people to think, however, and this is just what the organs of privilege are afraid of.

HERE is a real estate adv. The cat is almost out of the bag, you will notice. Read, consider and inwardly digest this advertisement, very frank and more candid than the editorial columns of your favorite newspaper, whatever it is. This delectable advertisement

appeared in the *Real Estate Record and Guide*, of New York, in its issue of Nov. 12:

"Land is the one commodity which has not yet advanced in price. This has been due to high building costs and to government restrictions against building during the war. These conditions have caused an acute housing shortage. With the fall in the cost of building, and the increased demand for houses, land MUST ADVANCE IN PRICE."

BUT note that what will happen in New York is just what happened in Vancouver. Exemption of all buildings created a boom in building. This was followed as a consequence by increase in land values. It is true that the tax rate was much lower than here. But the *Real Estate Record and Guide* is probably right. Land values will rise as a consequence of the increase in building following the exemptions. The public needs to be educated in the necessity of taking the rent of land so that most of the benefits of exemption may not flow to a single class.

NOW to whom does this advance in land values belong? As it is due to decrease in building cost resulting in more houses—a phenomenon of social activity—it is not an individual but a "common wealth." As a friend ingeniously puts it: "Does the Rent of the People belong to the landlords, or does the rent of the land belong to the people?" On one side or the other of this great controversy all persons must soon range themselves.

JAMES R. HINCHCLIFFE, Republican candidate for mayor of Cleveland, in an address issued to the voters during the campaign, said: "Municipal government is primarily a problem of wise spending." Is not municipal government primarily rather a problem of wise collection? Did it ever occur to you, Mr. Hinchcliffe, that to get the money first, and get it in ways that are honest and not burdensome to the man who pays, preceded the problem of spending?

DR. NICHOLAS MURRAY BUTLER, president of Columbia College, says that the Smoot Bill embodying the Sales Tax is "scientific." So are the operations for the successful and efficient burglar. Even the methods of our high class pickpockets are "scientific." It is not a recommendation for any unethical method to call it scientific.

THE Superintendent of Public Instruction in California, Wm. C. Wood, has raised the ban against Single Tax Essay contests in the public schools of that State on the ground that the subject is a partisan one. Just to what degree Mr. Wood is influenced by the great land speculators

of California we do not pretend to say. In his communication to Mr. Waldo Wernicke, of Los Angeles, he seems to be very fair and is seeking to act impartially. He has indeed prohibited lectures treating of other subjects on the same ground. But we desire to point out to Mr. Wood that if his decision is a sound one he must close the schools of California to the teachings of Adam Smith and John Stuart Mill as well as to those of Henry George.

Political Economy is partisan to the degree that men must divide into the partisans of privilege and partisans opposed to privilege. These questions will always be partisan—in that sense. But we fear Mr. Wood must relegate much that is of value to civilization in literature, in economics, and in religious teachings. The Bible will have to go along with the rest.

S AID Congressman Fess: "The government must do its part in removing the handicap on production." Well that ought to be easy. These handicaps exist everywhere in taxes laid upon industry. Then there is the tribute exacted of industry by the rent lords. This is the chief handicap. If government is seriously desirous of freeing industry there is one simple way to do it—transfer taxes from production to the rent of land. Is Congressman Fess prepared to suit the action to the thought?

T HE Cleveland, Ohio, Community Fund is an organization which maintains out of private contributions a number of charitable organizations in that city. The school teachers of the city are supplied with lessons aimed to instruct the pupils in the purpose of this Community Fund. The parents of Cleveland should protest against this use of the public schools. The children are sent to school to be educated, and for this the parents are paying. To make the schools an instrument for the extraction of pennies from the children for the maintainance of charitable institutions is a monstrous perversion of the real office of the public school.

The newspaper account of this enterprise says: "The lessons point out that in this way the Community Fund brings about the betterment of our city by removing or alleviating the causes of poverty." Of course, it does no such thing. The institution that produces poverty in Cleveland is not touched upon. We note among those who are to discuss the plan at a meeting of the executives the name of Newton D. Baker. Let us see—was not Mr. Baker at one time a Single Taxer, friend and coadjutor of Tom L. Johnson, and professedly an advocate of the only remedy that will effectually remove the cause of poverty? And the name "Community Fund." Should not this phrase occur to Mr. Baker as a reminder of the creed he once professed? For the only real Community Fund, because made by the community, and therefore belonging to the community, is the rent of land. Mr. Baker heard that from Tom Johnson ever so many years ago. He has never formally renounced it.

E DNA K. WOOLEY, who conducts a column in the *Cleveland News*, advances the theory that only those who pay taxes should have the right to vote. She heads her article, "No tax receipt, no vote." This would be an admirable suggestion if those who held tax receipts actually paid the taxes, and if those who held no tax receipts paid none. But, Miss Wooley, don't you know? Have you been writing for the papers so long and yet failed to learn some of the most simple truths about taxation?

Penalizing the Poor

P ERHAPS, if politicians confined themselves to speaking on subjects about which they are informed, the oratory output of the United States would be sensibly diminished, but that would be a diminution of production which the country could bear with patience. Some of the worst offenders are cabinet officers who, elevated from obscurity to eminence by some whim of their chief, blossom forth in all the panoply of omniscience and feel divinely inspired to instruct all sorts of gatherings on all sorts of subjects.

Recently a cabinet officer, we think it was the Postmaster-General, talked to a dinner of New York merchants on the Federal Tax Bill, now laboring its stormy way through the shoals and quicksands of Congress. He came out in favor of a sales tax on the new and original ground that it was a just punishment to mete out to people who spent all their incomes instead of putting some of it by for use as capital. Not since the French princess perpetrated (if she did) the awful blunder of asking why the people did not eat cake when they could not get bread, has anything more indicative of fundamental economic asininity been uttered. At a time when the census figures show that the *average* family earnings are so low, that at present prices, they are not enough to support the average family in decency, this cabinet officer would penalize those who do not save by making their cost of living more expensive. Does the gentleman think that we are going to lessen unemployment by practising thrift?

We hold no brief for the income tax. Time and again have we pointed out how its operation leads to perjury, evasion and fraud, and to the extent that it falls on earned incomes discourages enterprise and industry. But compared with the proposed sales tax it comes near being ideal. Yet it seems to President Harding's entourage the only means of relieving good campaign contributors from burdens which seem onerous. We wonder that the great journals now so valiantly upholding the cause of peace do not point out how strongly conducive to peace those heavy income taxes are. The people who have the most money exert the greatest influence on the public mind; if they find that wars, instead of being sources of gain, are causes of loss, they will throw their influence against militarism, rather than in favor of it as they have done in most recent wars.

We have indicated in another part of this issue where the taxes can be found which will permit the reduction of