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Privilege or Democracy

By R. E. CHADWICK

Prosperity is the natural order—the inevitable result of free competition with equal opportunity. Poverty, unemployment, and economic depressions are the direct result of the denial of opportunity. Equality of opportunity is the only foundation of individual liberty and national security.

So long as there are idle men with primary needs for food, clothing and shelter unsatisfied, there can be no social security. When men, willing to work, are forced to starve or accept alms, in a world adequately equipped to supply their every material want as a reward of toil, revolution becomes more than a possibility.

Why should enforced idleness bring society to the verge of disaster? Have we so exhausted the resources of this earth that our labor fails to provide us with sufficient food, clothing and shelter?

As a matter of fact there has never been a time in human history when production reached the high peak it has today. We have never made so intensive and intelligent a use of natural resources. We produce more wealth with less effort than at any time in history. Our economic difficulties are not due to the failure of nature or of productive processes. It is our system of distribution that is at fault. As a result of the breaking down of the machinery of distribution, the world faces a crisis.

Two forces—each striving for mastery—seek to control the destiny of men and of our country. The one, a potent and powerful privileged few, would direct and control for private gain; the other, fired with almost holy zeal, would attempt to direct the lives of men in what they conceive to be their interest and for their common good. Between these not by any means irreconcilable

forces the American system, that would organize society upon democratic terms, bids fair to be destroyed. To save ourselves from some form of dictatorship—of privilege or proletariat, we must make the economic faith of the Fathers of the Republic, facts in the lives of our people.

The grant of the first privilege, the first denial of equal opportunity, laid the foundation for all the economic ills that followed. By special privilege is meant the exclusive control of service or commodity that makes possible the fixing of its price above that which it would command under free competition. When the first man, by reason of an exclusive right, was enabled by virtue thereof to exact more than he gave, natural economic processes were thrown out of balance, and living by privilege rather than by service became possible.

The diversion of social earnings into private pockets through land monopoly is the father of all privileges. The rent of the land is a social product. It belongs by right, and by virtue of a common need, to the people and it is the duty of government to collect it in lieu of taxes.

Free competition is the key to progress, and is impossible so long as any enjoy a special privilege. We have become enmeshed in a web of privilege and are so restricted and hindered in our efforts to live a life, make a living and serve our fellows that industry has reached an impasse.

All too many would further bind society with more laws limiting the natural processes by which services are interchanged. This leads to dictatorship. It does not matter what the declared purpose of those who would control economic processes may be, whether in the interests of all or of a few, it is destructive of liberty and democracy. The control of economic processes

makes impossible the voluntary association of men upon equal terms with relation to nature and to their institutions. Democracy and the free competitive system have never had a chance to function. They are and remain the American ideal. It should be the plan and purpose of all truly patriotic men and women to make both a fact in human experience.

Men should be so free from want, or fear of want, that they might give or withhold goods or services as seemed best to them. Every threat to liberty, every interest antagonistic to the common welfare, every institutional injustice is founded upon a special privilege. The powers that make for progress under free conditions, become instruments of oppression and exploitation under special privilege. The more efficient industry becomes, in a field of restricted opportunity, the more there will be of poverty and unemployment.

Privilege was never more powerful, never so intelligently directed, or more open to successful attack than today. The instruments of democracy are in our hands. We can change our laws or institutions in any respect or in all respects. By legal and constitutional methods we can make equal opportunity a fact. We have the power, under law and sanctioned by courts and constitutions, to correct the evils we suffer. We can do this without surrendering the control of ourselves or our institutions to the beneficiaries of special privilege or to fanatical zealots who would build a completely regimented order of society in which the individual would be only a cog in a machine. Justice is the natural law. To doubt that is to cast one's lot with Chaos, deny the evidence of one's own soul and believe that there is neither order, reason, harmony nor purpose in the universe.

Our rights, duties and obligations with relation to nature and to our institutions are equal and reciprocal in fact or there is a divine right of kings, and men were destined to servitude from the beginning.

Life, liberty and a shared and lasting prosperity are the sure reward of democracy and a free competitive system. Poverty, injustice, servitude, in fact if not in form, are the certain fruit of privilege. Communism and all its connotes of planned control of the terms and conditions upon which life may be lived is a threat to liberty as subtle and sinister as privilege.

Our duty and solemn obligation is to abolish special privilege, restore freedom of competition and equality of opportunity. If we fail in that task, the world will continue to witness recurring disasters—war, pestilence and dying civilizations until fate writes "Finis" to the last chapter of human experience.

THE ENGLISH SITUATION

By DAVID WOODHEAD

For over a thousand years the people of Britain have been progressing slowly but surely towards political and economic freedom.

The action of the labor government last month, under the inspiration of Chancellor Philip Snowden, in attacking the most venerated of all the citidals of privilege in England—landlordism—entitles it to a place in history no matter how colorless its other accomplishments may be.

The urban lands of England are still taxed on the basis of an agricultural appraisal made by the landlords themselves in the days of good Queen Bess, with the result that some of the most valuable land in the world, assessed as low as a shilling per acre, is paying practically no share of the cost of government, except as a portion of it is reached through the income tax. And so the budget proposal to appraise the lands and then tax them on the capital value at the rate of a penny in the pound, is almost revolutionary, not because of the amount of the tax, which is ridiculously small—less than $\frac{1}{2}$ of one per cent, but because it is the entering wedge of a new principle of taxation for Britain. The wholly false but commonly accepted theory of "ability to pay" has been the basis of all budget heretofore, (except the abortive attempt by Lloyd George to tax increases in value as shown by sales, and which was abandoned for the sake of harmony during the war), and little or no claim has ever been made that taxation could be more justly and scientifically levied on the principle of "according to benefits received", so that the language of Mr. Snowden in introducing his proposals is worthy of special note.

"The scandal" he said "of private appropriation of land values created by the enterprise and industry of the people and by the expenditure of public money has been tolerated too long . . . The present system stands in the way of social and economic progress. It inflicts crushing burdens on industry and hinders municipal development. When we have carried this measure, we shall look back upon the budget of this year as a landmark of social and economic progress and as one further step towards the emancipation of the people from the injustice and tyranny of private land monopoly." Making it clear by such language that in taxing land values he was not simply finding another goose which would deliver feathers with a minimum of squaks, but that he clearly understood the difference between the values publicly created, and which to tax simply giving to Caesar that which properly belongs to Caesar, and values created by the labor of the individual, which wise public policy de-