

TAX FACTS

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Those who advocate the sales tax are pluming themselves because they have at last discovered a tax that will reach the "non-taxpayer." The man who has been enjoying all the benefits of government, Federal, state and local, without contributing one cent toward their expenses will now, for the first time, contribute to the public funds. Even high officials and tax experts are guilty of holding this opinion and of using it as an argument against those who oppose the sales tax.

It is hard to believe that the general public is so ignorant of the facts. Yet, we see that all of the cries and lamentations provoked by high taxes come from those who are on the assessor's books, from "property owners." Not one word has been said about the taxes levied on commodities, such as food and clothing, household furnishings, etc. The public doesn't rebel against these taxes because it doesn't know that they exist.

A very enlightening article, the third and last of a series, appeared in the *Los Angeles Times* of January 3rd. "Tax Burden Takes Toll from Cradle to Grave" by William P. Helm. Perhaps, if Mr. and Mrs. Public would devote a little more time to such articles as this, and a little less time to the marital difficulties of radio crooners and such, they would understand what it is that is hurting them, and how to remove the cause.

Mr. Helm's article, undoubtedly has been a surprise to many people, and in the hope of bringing this matter to still more readers, we wish to quote rather liberally from its columns.

"The huge levies of last year, the prospectively larger levies of this, have come and will come out of the hide of every man, woman and child in the nation.

"The man who buys a loaf of bread pays seventeen kinds of immediately visible taxes, if he will but take the trouble to look under the wrapping paper. These are topped off by the new-fangled processing taxes on wheat. These taxes stretch all the way back to the wheat fields; they race with the wheat going to market; they climb into the elevator where it is stored; they proclaim themselves in the noise of the flour mill;

they bob up in the office of the wholesaler handling the flour; they fairly shriek their presence in the bakery or store where the purchase is made.

"If the purchaser walks home, he wears shoes taxed twenty-three times. If he rides in a bus or automobile, he pays forty-two kinds of taxes. If he takes the subway or an electric car home, the total number of visible taxes riding with him—if he will take the trouble to look into the subject—may run as high as fifty-eight."

If this be true, and we have no reason to doubt it, the homeowner who is complaining of high taxes because his tax bill doesn't please him is paying fifty-eight kinds of taxes every time he rides home on the street car! Remember that the producer of raw material, farmer, stock raiser, mine owner or what not is taxed for the material while it is in his hands; it is taxed again when it is in the hands of the manufacturer; and again when the finished product passes into the hands of the wholesaler and again into the hands of the retailer—this is to say nothing of the taxes on buildings and equipment that must be paid out of the price received each time the goods changes hands. Each time the material or finished products change hands, the tax is added and enough more to make a profit.

Mr. Helm has some information for the non-homeowner, too. "Similarly, the man who rents a house, an apartment or a room may feel pitying sympathy for the poor devil who owns his home and has to pay heavy property tax bills. It is misplaced sympathy. The renter may not know it, but at least two months' rent that he pays for his quarters goes every year, a survey discloses, to various tax collectors. The only difference is that the home owner pays the tax directly to the city, while the renter pays it through his landlord. There is no other distinction.

"A great many direct levies do not appear on the surface because they have been imposed so long that most folks are not aware of them. Every dining table in the land, for instance, is paying today a tax of about 2 cents a pound for

every pound of sugar placed upon it. That is a tariff levy; if the sugar retails for 5 cents a pound, 2 cents of the 5 cents is for the tariff and the other 3 cents is for the sugar—including a host of domestic taxes."

Mr. Helm has mentioned sugar, but keep in mind the fact that all this applies in more or less degree to every purchase that you make, from the meat and potatoes on the table to the rugs on the floor, from saucepans to pins. Your tax burden is a heavy one, indeed, whether your name appears on the assessor's books or not. Most of us must pay enough taxes to satisfy the collectors of city, county, state and Federal taxes, but in the District of Columbia, Mr. Helm points out, "there is but one taxing power, the Federal government. There is no multiplicity of tax collectors; only those employed by Uncle Sam and the district government which is directly under the Federal say-so. Here, if anywhere, public utilities, serving a large population compressed upon a few square miles, can serve their patrons cheaply. Here, too, taxes—so far as the number of levies goes—are fewer, perhaps, than anywhere else in the country. Fewer, but perhaps no lighter.

"A recent survey of taxes in the district discloses that its public utilities pay approximately twenty different kinds of direct levies and that one-sixth of their gross income, in round figures, is turned over to the tax collector every year.

"That one-sixth goes into every telephone and electric power bill paid in the district; into every street car or bus ride. Were it lighter, rates could be less, for rates are rigidly regulated. On the average, one-sixth of all consumers pay to public utilities in the district is taxes and nothing else.

"Congress not long ago passed a law lifting from consumers of electric power the three per cent levy on their bills. Congress said the power companies and not the consumers should pay the tax. It was a noble gesture and a grim joke. The consumers pay it just the same, although it does not appear on their bills, for power rates are regulated with an iron hand and when their profits rise beyond a certain figure, rates are reduced. . . . All public utilities collect from only one source, the public. The public pays all their bills, including their tax bills. When the public utilities are soaked with high taxes, they serve only as collection agencies for the tax collectors; the public pays the high tax bills because all the utilities income comes from the public."

This body of gentlemen referred to as "Congress" doesn't seem to have the ghost of an idea about the principles of taxation—but it goes right on spending our money! We have quoted extensively from Mr. Helm's article because it is of the utmost importance that people learn what constitutes the "tax burden" that is being carried by every man and woman in the country, whether

they are so-called property owners or not.

We believe that, with all the tax experts, taxpayers' leagues, etc., nothing can be done to aid industry, abolish poverty and unemployment, and increase the earnings of labor until the general public gets it through its head that the bills from the assessor's office are the smallest and least important tax bills of all; that these hidden taxes, as well as the much-touted sales tax, are the real tax burden that is crushing industry, and that they must be abolished. By the way, Mr. Helm begins his article with this sentence: "From the crossroads village to New York City, records of all units of government in the United States proclaim that there is no greater fathead in the country than the man who believes he pays no taxes." That applies, also, of course, to the man who believes that the sales tax must be supported because it is the only method of reaching that fabulous animal, the non-taxpayer.

William James, our great American psychologist, says: "There are at all times *some* ideas from which we shy away like frightened horses the moment we get a glimpse of their forbidding profile upon the threshold of our thought." Tax experts and taxpayers, alike, have been shying like scared rabbits from the idea of abolishing this multitude of taxes and establishing in their stead one tax on the value of land, a tax that cannot be shifted or evaded or hidden, a tax that automatically adjusts itself to the income of the taxpayer and to the needs of the community. Some day you folks are going to have gumption enough to get over your fear of the profile of this particular idea and look it squarely in the face, shake hands with it and welcome it into the bosom of your family.

We cannot do better than to close with one more paragraph from Mr. Helm's article: "The most common articles are loaded in price with batches of taxes numbering from a dozen or so up to several score. The blanket in which the new-born babe is wrapped bears at least twenty different kinds of taxes; the shroud which covers the dead has as many more. Even the funeral cortege carries a multitude of invisible revenue stamps. From the infant's first cry to the old man's last, the road through life is lined with taxes, the overwhelming number of which are hidden."

RULE BRITANNIA

The Britisher loves his freedom, cherishes it, boasts of it, fights for it—that is, to the extent that he understands anything at all about it. His "rights" are sacred to him, and it is most unfortunate that he does not include among them his natural right to the use of the earth. For centuries, he has allowed his fellow Britishers to hog the little Island, charge him what they pleased for using any portion of it, gradually appropriate his commons, and finally drive him