

# TAX FACTS

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## WE ENTER OUR TWELFTH YEAR

In May 1922, the Tax Relief Association undertook the publication of this little paper "in the interest of Sound Economics and American Ideals." In one sense, the name "Tax Facts" has been unfortunate. The name of the Association, itself, is a little misleading because it appears to stress the thought of relief to harrassed merchants, manufacturers and home owners and does not suggest adequately the more fundamental thought of economic reform which we have endeavored to present in these editorials.

During the past three or four years, many organizations have been formed in the interest of those who are wrestling with the tax problem, and a number of publications have been launched in the hope of casting a little light on this dark subject. It is natural that some who hear of this organization and its publication should mistake its real purpose and think of it as one more civic body interested in and endeavoring to "lighten the tax burden."

The full intent and purpose of this paper is far more fundamental than merely shifting taxes from pillar to post. The idea that we are trying to present is a philosophy of social life, a scientific treatment of social problems. We want you to be able to trace the connection, however obscure or roundabout it may seem, between taxation and the kidnapping of a little child. We want you to see the connection between taxes and poorhouses and prisons, not in respect to balancing the budget and providing funds for these institutions, but as a cause of their existence or non-existence. Until you see that our system of taxation is the means of adjusting our social relations, and that through them it filters down to our individual lives, you cannot hope to solve the tax problem.

In order to understand its true nature, we must see that the most important function of taxation is not to obtain revenue, but to balance the advantages derived from the use of good and poor land. By "good" and poor land, we do not mean merely fertile and sterile soil, but land that is productive or non-productive in centers of population, as well. The most valuable land in the United States was once used for the raising of cabbages; now, it is occupied by some of

the world's tallest buildings, and the production of wealth goes on on a much grander scale than in its cabbage-patch days.

We are dealing with the land problem first, last and all the time. No social problem can be solved until the land question is settled, for it is in the use of land for the production and distribution of wealth that men come together in groups and communities, that they learn to specialize and cooperate in labor. No movement for the betterment of society that does not recognize the land question can be of lasting benefit. That is why *Tax Facts* keeps on hammering away at fundamentals while politicians and statesmen tinker with palliative measures that can afford only temporary relief at best. Many of them aggravate the condition they are designed to alleviate.

We begin with this self-evident truth: the earth is the common heritage of all, and every child born into the world has an equal right with every other child to the use thereof. How such an adjustment can be made and economic justice established is not easy to see. Political economy, though it is not the dull and dismal science it has been painted, is, nevertheless, a science with rules and laws and principles that cannot be mastered in an hour. But is there anything difficult to understand in the proposition that the earth belongs to all men, and not to a privileged few? You can see that, can't you? That is all we ask you to accept at the start, then if you will keep on reading *Tax Facts*, we will try to show you the significance of this thought and how it forms the foundation of our whole social philosophy.

Industrious men and women, for instance, live economically, sometimes frugally, all their lives and save their hard-earned dollars that they may not come to want in their old age. Then, banks close; depressions come; investments prove worthless. The savings of a lifetime are swept away. Nothing is left but the mockery of the bread line, the tragedy of the poorhouse. Would a change in our land policy alter this situation? Certainly it would if it were the right change.

A great war has been terminated, and the youths that marched so gallantly to the front

are drifting back to the country whose cause they defended. Their old jobs are gone and there are no new ones. Will a grateful country care for them and theirs with pensions that increase and multiply by millions and become an ever-growing burden for each successive generation to bear? Would a tax on land values, instead of on labor products, make it possible for the returning soldier to step back into civil life with an opportunity to earn a living according to his ability, and without casting a shadow on his self-respect by offering him a pension or any other government handout? Yes, it would. And so it goes on, the golden thread that runs through the whole fabric of society.

We believe that no individual or group of individuals has the moral right to deny others the use of the earth by monopolizing land, or to appropriate to themselves land values that are due to the presence of population. Our present land policy permits individuals to buy, sell and speculate in land as if they had made it and could claim exclusive ownership by right of production. We are trying to make clear to you the difference between land and the articles that men make—food, clothing, houses, ships, golf clubs—everything, in fact, that would not have existed if man had not been here. These are the things we refer to when we talk about labor products, or sum up in the term production.

Everyone knows that there is a difference between land and the products of labor, but the majority of people don't see the significance of the fact. It is very difficult for a person who has believed all his life that land should be bought and owned exactly like a house or a suit of clothes or a cow to understand that any other system could be just or advisable or necessary.

That is why *Tax Facts* wants you to see the necessity of changing your ideas regarding land monopoly and the speculation in land values. Until you do see that, it is hardly worthwhile to attempt any legislative measures that would go to the root of our economic difficulties and bring positive and permanent relief. Whenever an injustice has persisted for generations, it cannot be corrected without depriving some of privileges that they have wrongfully enjoyed. Naturally, they are going to howl about it. They are going to howl so loud and in such a manner that those who most need the change will believe the whole idea to be wrong and will work against their own interest to protect the special privilege that oppresses them.

No, injustice may be established and maintained through force at the hands of a few, but not justice. When you people understand the land problem, you will *want* to change our land policy. Until you do understand it and want the readjustment, it is useless to try to force it on you. Unfortunately, those who do understand it,

must suffer with the rest of you under the present system—that is life.

Whenever you people understand the need and the nature of this proposed change, The Tax Relief Association will be ready to help you with suggestions as to how it can be brought about. If you want the whole change made at once for quicker relief, we'll help you to do it. If you believe that much confusion and perhaps some temporary hardship would be avoided by a more gradual process, making a little change from year to year, we'll help you with *that*, too. When and by what legislative measures this change is to be made is entirely up to you folks. Thousands of us have been ready for this thing for years. You can't take us by surprise.

This readjustment must be effected through a change in our tax system, a change that may be expressed briefly in the principle to remove all taxes from labor products—man-made things—and levy one tax on the value of land regardless of improvements. Until this is done, we are simply wasting our time trying to correct conditions with measures that utterly ignore this foundation of our economic structure.

Remove all restrictions from trade. Give every man and woman a chance to use the earth without let or hindrance, without paying some one else for the privilege, then see whether or not there is need for price fixing, for restrictive labor laws, debt moratoriums, bonuses, old age pensions, inflated currencies, or any of the hundred and one measures prescribed for our economic ills.

We are not discouraged because we have made so little impression on you in eleven years. The philosophy of unselfishness, of kindness, of forgiveness, of the brotherhood of man, of which this is the practical application, has not made much of an impression on humanity in two thousand years. We hope to cut that time down a little. However that may be, it is our intention to keep the light burning that marks the exit so that you folks *can* get out of the woods any time you want to. We're not going to push you out, you'll have to go out under your own power. It can be done.

### LISTENING IN

It is difficult for a monthly publication to comment on the course of the administration at Washington. Things there are moving so rapidly that even the daily papers find fresh material for morning and evening editions. Practically everything that is being proposed is put forward as a relief measure. Perhaps the best that we can do is to keep hammering away at the basic principles that govern our economic life in the hope that some day our readers—and millions of people who have never heard of *Tax Facts* will demand the change in our land system that will bring economic freedom.