

TAX FACTS

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WHY POVERTY

Why be poor? Why live in the richest age and in the wealthiest country in the world, and lack for the luxuries of the flesh? Thousands of millionaires of today have made their fortunes within a few years. If one will but read the advertisements of the real estate dealers, the oil promoters, and the various other Napoleonic financiers, it would seem to be a reflection upon one's intelligence not to be rich.

A recent full page advertisement in the Los Angeles papers sets forth opportunities for easy, speedy, and certain wealth that leave no excuse for poverty.

The upper half of this page shows a profit-making machine at work. It consists of a group of factories so closely placed that the cog-wheels on the roof suggest a single unit. From the center of the group rises a huge hopper into which coins from all over the United States are pouring. From one side a spout extends over a specially marked section of land, upon which a steady stream of money is falling.

The obvious meaning of the picture is that the factories, by sending their products over the country are drawing to Los Angeles, and to this particular portion of Los Angeles, a stream of golden wealth. And the inference to be drawn, is that persons who hold title to land in that section will be enriched without any effort on their part.

But this meaning of the picture is not left to inference. The text of the advertisement removes any doubt on that score. "The great profit machine pictured above," reads the advertisement, "is already starting work for the lot owners in Easymoney Terrace." Easymoney Terrace is not the name, but it will serve to carry the idea.

The advertisement continues: "Four of these plants are now actually operating, six more now under construction will soon gear in with the first four, and additional factories are breaking ground every week.

Note the result: "Forty factories mean 6,000 well-paid jobs. Six thousand jobs mean a population of 25,000," and Easymoney Terrace, within five minutes walk of the factories, is the logical place for them to live. Indeed, units 1, 2 and 3 are already completely sold. And finally, "Many lucky buyers in these units are already reselling for profits of 100 per cent on the gross cost of their lots."

How, in the light of all this, can a poor man prove his sanity, with such opportunities flaunted in his face? Phone the company and an auto will call at your house and take you without charge to Easymoney Terrace.

True, there may be carping critics who will question the morals of this venture in finance. The manufacturers, owners and men, are putting in capital and labor. They are using every endeavor to make better and cheaper goods, they are combing the country and the world for markets, they are, in short, striving their utmost to render service for the money they receive.

But the men who buy lots in Easymoney Terrace and sell them within a few weeks or months at a profit of 100 per cent, what service do they render for those profits?

The advertisement in question quotes in heavy black type these words from a successful promoter who has located "forty great industries" in an industrial tract since last July: "City land values are based on two equally important factors—population and wealth—buy your lots with this in mind."

Who will question the truth of that statement? But note that this rule applies only to land values. No amount of wealth or population adds to labor or capital values. The house, the auto, the sewing machine once built begin to decline in value as they age, in spite of any increase in the population and wealth of the community. But the lots in Easymoney Terrace, and in the various other tracts do increase in value with the growth of wealth and population.

This increase is not even or constant. Sometimes it is in one place, and then in another. Some may even decrease temporarily. But the tendency is always to rise. Small investors taken as a whole do not make interest on their money, but the gambling chance of big profits lures them on, so that more than half of the land of the city lies vacant and idle, while labor and capital support the community on the land in use.