

# Why the Single Tax Was Opposed in California

## A Guide for Future Action

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FOUR years ago this Fall was submitted to the California electorate a constitutional amendment generally called a "Single Tax" proposition. This had been prepared in the most careful manner and reviewed and revised by certainly two dozen men, including California's legislative counsel. The amendment, if adopted, would have abolished the existing sales tax (except on the sale of gasoline) and over a period of nine years gradually extinguished all taxation upon personal property and improvements. When passed upon by the people it was rejected by a vote of close to four to one. Variations in the local vote were from nearly 30 per cent for the measure in some of the larger cities to opposition of ten and twelve to one in some of the rural counties.

I was so closely identified with the campaign that ever since the defeat I had hoped that some other person would examine into the causes of the result and the lessons to be learned therefrom. This possible good fortune has not come to pass. Therefore in the default of another man I undertook to do the work. This began by sending a number of letters to Californians interested in the campaign. Not as many replies have been received as I might have preferred but probably the more than fifty replies were sufficient to give a fairly accurate idea of what the result would have been if the number had been indefinitely multiplied. Naturally the majority of the answers came from those who are to be classed as "Single Taxers." Important additional responses were made by men prominent in the opposition—as the manager of the campaign against the amendment, the statistician of the Chamber of Commerce and the Secretary of one of the opposing farm boards. Included in the complete list are several officials of State and municipal governments, newspaper men, lawyers, artisans and labor leaders. One or two are authors of well-known books. The intelligence and character of the writers command respect.

Those whose answers are to be recapitulated I asked to designate by number in the order of their proper influence the propositions which they believed had occasioned the greatest opposition. After this had been done, they were asked their opinion as to certain further propositions affecting the future.

The greatest number signified that the first cause of defeat was "widespread ignorance of the object to be attained," and, second only to this, "antagonistic propaganda put out by great financial or agricultural interests opposed to it and in a position to control action." Lesser numbers attached primary importance to "belief that there is no reason for taxing one class of property and allowing another to escape" or the "fear

of small owners that their homes would be taken from them," "belief of small landholders that their interests were identical with those of the great landholders," or that "a virtual doing away with land values in private hands in nine years was too violent a change." One of our oldest and ablest friends writes: "I have marked the second item (antagonistic propaganda) as of primary importance. All the others are parts and parcels of it. The opposition controls, with few and minor exceptions, the avenues of publicity. Because of this, after each campaign, with cumulative force, the people think they know what we are trying to do to them. And they do not like it."

As the secondary important reasons a full third put "antagonistic propaganda," and others divided in placing emphasis upon prior defeat of propositions approximately in the same general direction, or ignorance, or that public schools depended upon continuance of a sales tax to maintain them, or that the amendment meant too violent a change, or that it would deny to a man right to possess sufficient land for a home, or that the added tax on land values would raise its price and make purchase more difficult, or that taking away of selling value of land was "essentially unjust." (I shall not comment upon the contradiction in the last two propositions.)

With much division of opinion it was the feeling of a slightly larger number that third place in reasons should be awarded to the feeling of the small landholders that their interests were identical with those of the large holders. Others divided themselves between emphasis upon prior defeat, antagonistic propaganda, too violent a change, supposed injustice to the farmer, sales tax supported schools, ignorance and that higher taxes would mean higher prices demanded for land.

The votes for the fourth place were too scattered among eleven possible propositions to have any special meaning.

For the fifth place about one-third dwelt upon "fear of small owners that their homes would be taken from them under the proposed amendment." A number stressed the belief that it was thought that the amendment was inimical to the farmer, and a few that it was wrong to double taxation upon a man who had bought on a certain basis and that destruction of selling value was essentially unjust.

Votes upon other suggested reasons were too few and scattering to have any significance. The questions raised by the remaining suggestion was simply belief that higher taxes on land values would mean higher prices for things sold at stores.

A manager of the opposition, who did not undertake to

give relative importance to the objections raised against us, said interestingly:

"I believe that the biggest obstacle you had to overcome then, or would have at any time, is that the American people, for good or evil, have an innate love of property—a desire at least to be home owners—and are mostly of the belief that Single Tax would militate against them. There are so many forms of 'wealth' today besides property, or real property, that it appeals to most of us as unsound and unfair to make real estate carry the brunt of the tax burden."

Another gentleman eminent in social service circles, and whose general intelligence is beyond question, writes:

"Widespread ignorance of the effect of the Single Tax was on the whole favorable to the adoption of the amendment. A better understanding of all that is involved in the Single Tax would have increased the opposition to its adoption. . . . The Single Tax is opposed not so much because the change is too violent, but because the scheme is unsound, impracticable, and unjust, and because it tends to paralyze enterprise by destroying the confidence of the great body of investors, large and small, in the stability and security of private property."

He also thought that the heavy burden on land would be such that only the relatively wealthy could own residential land.

A gentleman prominently identified with the State Board of Equalization which powerfully opposed the amendment was unwilling to go into details or found it impossible, but thought that the voters "concluded that its adoption would be inimical to the best interests of the State and recorded their votes accordingly."

In connection with the additional queries I have spoken of, certain fundamental questions were propounded the answers to which seemed to me of special importance. The first question was:

If the general tendency of our civilization is toward some form of socialization, will it affect unfavorably efforts to have adopted such an individualistic plan as the Single Tax as usually understood?

The overwhelming response to this question was in the affirmative, there being but three dissents. However, it is to be noted that there were one or two denials that the Single Tax was in fact individualistic, it being considered in truth socialistic. Little doubt was expressed that the tendency today was toward some sort of socialism.

A second question was:

Is the greater approval accorded to public ownership and management of forests and natural resources (public power and dams and water resources) evidence of such a state of mind?

The answer was similarly in the affirmative. However, it may be significant to note that several on what we may call our side as well as against the proposition we advocated, felt

that the public, rather than according approval to such public work had acquiesced or accepted it when laid down by public authority. They apparently doubted deepseated approval by the public.

A third question was:

With the very considerable diffusion of land ownership and fear of change such as the amendment seems to have evoked, is it or is it not probable that the landholding interest and those dependent upon it, will for an indefinite future be able to defeat at the polls any proposition considered as antagonistic to the private ownership of land?

To this question the large majority gave an affirmative answer, considering that such proposition would meet assured defeat. Some, however, believed that in the course of time a thorough and expensive education might bring about a different result. One estimate fixed a careful expenditure of at least a quarter of a million dollars conducted by most competent statisticians and carried over many months, as necessary for this purpose.

A fourth proposition was:

While special education in what is generally understood to be the Single Tax is right, proper and necessary, will it be likely materially to affect within the foreseeable future the public attitude toward the changes involved in a constitutional amendment of the nature of that submitted in 1938?

With some querying as to the meaning of education especially, and with but two dissents, the heavy majority of those answering was in the negative. Any education had to be long, hard and thorough. No political success was to be anticipated within any reasonable time from any course of education, save from such as indicated in answering the third proposition. A representative of the opposition thought that the more education given upon the subject the greater would be the opposition.

The final question was of this nature:

How far will ownership of land operate to make those educated in Single Tax principles lay aside these ideas when such seem to be opposed to self-interest?

The answers were illuminating as showing a general opinion that belief in principle would over-balance self-interest. (Only two thought that private interest in land ownership would prove more powerful in the case of a thoroughly instructed man than conviction of the righteousness of the cause.) This position was that of the opponents of the amendment quite as much as that of the advocates. The objectors evidently considered the convinced Single Taxer as one who would adhere to his cause rather than to any idea of self-interest. Thorough Single Taxers were regarded as fanatically hopeless.

To the foregoing propositions one of our best friends adds this:

"I have come to the conclusion that greater than all the

apparent obstacles is this: We are still suffering, though in diminishing measure, from the 'evangelism' of forty to fifty years ago when adherents to the principles we know to be sound sloganized themselves into the category of schemes to get Utopia over-night. The result is that men in positions of authority who are receptive to logical procedure in harmony with those principles can be scared out of their reason by some one yelling 'Single Tax.' The only method of overcoming it that seems available is constant effort to encourage more and more people to take advantage of their many opportunities to translate those principles into social action in homeopathic doses and secure progress in cumulative effort. For to quote our friend Judge Camp, 'the only rapid progress is progress down hill'."

From all of the foregoing, limited though circumstances compel our review to be, certain conclusions may be drawn. In California, at any rate, and the same put to the test will doubtless be found to hold in nearly every other jurisdiction, no contest fundamental and decided in nature, may be expected to succeed for very many years to come. What we may term the physical difficulties—the power of money and its subtle control of the press in a thousand ways—must persist until a great change takes place. As to how this is to be accomplished opinions among our supporters differ radically. One lawyer of high ability expects it to be brought about by a course of natural evolution. A retired business man and keen observer looks for no marked advancement of our ideas until a revolution, probably bolshevistic in its nature, takes place, when all property rights, in land and everything else shall be suppressed, and thinks that, out of this, perception may arise of the difference in nature between land and the results of labor and our fundamentals be recognized. Perhaps the ultimate truth lies somewhere between these extremes. It may be suggested that, after all, the difference between evolution and revolution is simply one of time. A revolution may be regarded, sometimes at least, as the crowning forceful act of a long pent-up evolution at last reaching its destination. Revolution may therefore be regarded as the offspring of evolution, and not as an unnatural event.

[To be concluded in the next issue.]