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NO. 1

DO YOU KNOW?

Do you know that land speculation is the only business that makes a profit without employing labor, or increasing the wealth of the community? Do you think it a wise law that encourages this? Is it good for labor? Is it good for home owners? Is it good for all business? Is it good for anybody—but the land speculator?

Do you know that all taxes on goods are less taxes?

Do you know that taxes on goods increase the price, and that the consumer buys less goods, which forces the manufacturer to cut down production and lay off men?

Do you know that merchants, manufacturers and business men are not tax payers, but tax collectors; that they collect from the consumer the taxes that government lays on their business?

Do you know that the reason why men speculate in land is because the service rendered by the community is greater than the taxes collected from the land owners?

Do you know of a speculator so foolish as to hold a house idle in order to make money?

Do you know that speculators hold land idle for years, employing no labor, and doing no good to the community's health, yet amassing great wealth?

Do you know that the only law in this country against the issuing of money by private banks, corporations, and municipalities is the Federal tax of ten per cent on the circulation of such money?

Do you know that a ten per cent tax, or even a six per cent tax on vacant lots and houses held for speculation would drive them out of existence, as the Federal tax of ten per cent destroyed wildcat currency in 1866?

Do you know that the only way to destroy vacant land is to put it to use, by employing labor, producing wealth, and rendering service to society?

Do you know that if more labor were employed, and more goods were produced, it would solve both the problem of unemployment and the high cost of living?

Do you know that the present law in New York City, exempting new dwellings from taxes for ten years, in order to solve the housing problem, is having a wonderful effect in stimulating building?

Do you know that Pittsburgh, Pa., is destroying her vacant lots, and replacing old buildings with new, as a result of taxing land five-fifths, and improvements three-fifths of their value?

Do you know any reason why other cities should not imitate these examples?

OBSERVING THE LAW

The question is being debated as to which is the more useful citizen, the law-abiding assessor, or the assessor who uses a wise discretion. A public-spirited citizen of Indiana some time ago imported a bull that cost \$20,000. The assessor of the county, following the letter of the law, listed the animal at \$20,000. Whereupon the owner took his purchase to another county, whose assessor listed it as a common bull, value, \$50.00.

The farmers of the first county are now wondering whether an honest assessor is worth as much to them as the blooded bull would have been.

Prudence would seem to dictate a low assessment of things that can be driven away, or destroyed.

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AID FROM THE ENEMY

The "People's Anti-Single Tax League" is repeating the attempt of two years ago to destroy the Initiative by appealing to voters to save their homes from the "Singletax menace." Two years ago their measure was to raise the percentage of signatures necessary to put a tax question on the ballot from 8 per cent to 25 per cent. It was voted down, 421,945 to 298,347. This time they purpose raising the percentage to 15 per cent.

This "Singletax Menace" campaign by the land speculators will be worth thousands of dollars to the Singletaxers. It will give the question State-wide publicity.

Possibly this was not the purpose of the Anti's, but it certainly will be the result. This action is the more surprising because realtors are in the main pretty shrewd men. In this instance, however, they seem to have overlooked the fact that truth thrives more through persecution than by any other means.

What will be the natural inference of voters, when they see an organization of real estate dealers, men representing millions of acres of unused land, and countless vacant lots, held for speculation, making these repeated attempts to amend the Constitution so that home owners, farmers and workers of the State can not tax the speculative holdings that are draining the earnings of the workers and burdening the farmers, home owners and business men? Whatever the intention of these land speculators, there is no doubt as to what the voters will think. It is the pot of jam set out of reach that the child wants.

One of the reasons given by the "People's Anti-Single Tax League" for their action is that the Singletaxers kept up their ballot campaigns, even though defeated. As this is the second attempt of the Anti's to emasculate the Initiative, it might be in order to ask how many times they expect to submit their measure before it will be necessary to form an Anti-People's Anti-Single Tax League to stop them. It is to be feared their sense of humor is not as highly developed as their sense of acquisitiveness.

That the epithet "Singletax menace" is used to arouse the prejudices of the uninformed for the purpose of destroying the Initiative itself appears from the fact that there is no Singletax measure on the ballot this year. These vacant land profiteers assumed that there would be such a measure, and have spent large sums of money to put their own measure on the ballot a second

time, only to find themselves valiantly fighting the air, and advertising the very thing they sought to destroy.

While Singletaxers, as Singletaxers, appreciate this substantial contribution to their cause, and are duly grateful, as citizens they feel themselves constrained to oppose a measure designed to limit the freedom of the people in the conduct of their political affairs.

The people can permit no tampering with the Initiative.

TAX-EXEMPT BONDS

Complaint is heard that rich men are investing in tax-exempt bonds, and are thereby escaping their share of the burden of government. It is true that vast amounts of bonds have been issued in the last few years that are immune from the tax collector. And it is not unlikely that a large number of these bonds have gone into the hands of the rich.

But are not the critics, in saying that the rich thereby escape taxes, forgetting that the consumers, and not the rich, pay the tax? If the man who buys taxed shoes pays the tax, so must the man who buys credit. There is no labor product, including money or credit, that can be taxed in a way that will not fall upon the consumer.

Untaxed bonds bear a lower rate of interest than bonds that are taxed. That is, both bonds return the same rate of gain to the holder. Does not this show that the borrower, or consumer, pays the tax? And if the borrower does pay the tax, why add to his burdens? The fact that he borrows shows that he is in distress, or desires to expand his business with additional capital. In the one case we should not add to his extremity; and in the other we should welcome the greater employment of labor and production of wealth.

The rich pay taxes only upon what they themselves consume, or upon monopoly or legal privilege they hold. Taxes on money, or on goods, that the rich sell, are added to the price, and are paid by the consumer or user.

Taxes, like interest, are governed by natural law. Statutory law may direct one citizen to pay, but natural law determines whether that citizen pays the tax himself, or passes it on to another.

The remedy for tax-free securities is to make all securities free.

A TALE OF THREE CITIES

New York, Chicago, and Pittsburgh, in common with most other American cities, found themselves at the close of the war short of houses. A bitter warfare was waged between tenants and landlords. Special laws were passed, new courts were created, and philanthropic agencies took a hand. But the strife only increased.

Attempts were then made to get down to business. The main fact brought out was that the cost of building was so high that interest on the investment required a rent beyond the means of the tenants. To meet this situation, New York enacted a law exempting new dwellings from taxation for ten years, which was equivalent to a reduction of one-third of the cost of building.

Lawson Purdy, former president of the New York Tax Board, writes: "The results achieved by this exemption have exceeded the hopes of the supporters of the ordinance. From February 25, 1921, to December 10, 1921, plans were filed for dwellings and tenements to accommodate 53,787 families, as contrasted with accommodations for 10,695 families for the same period for the preceding year, an increase of dwellings for 43,092 families, or 402 per cent."

Chicago had been operating under a law enacted in 1917 which exempted improvements from taxation at the rate of 10 per cent every three years. Forty per cent has been removed.

Thomas C. McMahon, Chief Assessor of Pittsburgh, writes: "The Pittsburgh Graded Tax Law has undoubtedly tended to encourage building operations, and to discourage land speculation; and these results will be increasingly manifest within the next few years, the process having been a very gradual one. It must be remembered, of course, in discussing the building situation, that conditions have been highly abnormal during and since the war, and there have been factors such as the high cost of building materials and higher wages demanded, that have operated to retard building. A comparison, however, with other large cities shows that in the number of building permits per 1,000 in increased population, from 1914 to 1920, inclusive, Pittsburgh excelled her competitive cities, New York, St. Louis, Philadelphia, Cleveland, Buffalo, Detroit, and Baltimore, from 25 to 238 per cent."

Chicago? Chicago did nothing. Her officials have stood ready to pounce upon anyone who had the temerity to build a new

house, and fine him roundly. The result has been that few buildings were put up, rents do not come down, and thousands of families have moved into tents in the Forest Reserve Park.

Rents, like prices, are subject to the law of supply and demand. Increase the number of houses and rents will fall. Attempt arbitrarily to force lower rents, and building will stop. Which is likely to get housing relief first, New York and Pittsburgh, through tax exemption of buildings, or Chicago with its heavy tax on houses?

STREET CARS AND VACANT LOTS

Street cars extended into a new addition that has been added to a city increase the value of vacant lots as much as improved lots. Yet the owners of vacant lots pay nothing toward the building or upkeep of the car line that enriches them. The whole revenue of the company comes from the patrons of the cars who live on the improved lots in the neighborhood.

It costs as much to lay tracks and to run cars past vacant lots as improved lots, but the people on the improved lots pay for all.

Is this fair as between man and man? Is it fair to the car company? Is it conducive to home owning, to cheaper rents, to lower cost of living, or to prosperity?

If lot speculators were replaced by home owners, would it not simplify the street car problem? No more track need be laid, and no more upkeep and overhead expense incurred. Car fares, instead of going up, would come down.

Since the vacant lot is increased in value equally with the improved lot by the coming of the car line, what would you say to taxing the vacant lot as much as the improved lot of like situation? That would ease the burden on the home owner. It would encourage home building, employ labor, stimulate business, promote prosperity, and help to reduce the high cost of living.

A year's subscription of *Tax Facts* will be given to any one who can name a single valid reason for not adopting this policy.

Business men and other persons who are interested in the cause of the financial depression should send for a sample copy of the "Bulletin," published by the Committee of Manufacturers and Merchants on Federal Taxation, 1346 Altgeld St., Chicago, Illinois.

TAX FACTS

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TAX FACTS

The greatest problem before the American people is the question of taxation. Whether one considers the unemployment of labor, the stagnation of business, the distress of the farmers, the high cost of living, the shortage of houses, the rehabilitation of the soldiers, or the aftermath of the war, the question involves the laying of additional taxes to meet the expense, or the removal of taxes that have already become a crushing burden.

Yet, important and universal as this question is, and dependent upon popular vote for decision, there is less positive knowledge of the fundamental principles underlying taxation than of any other public question. Statesmen, politicians, men of affairs, voters, all appear to be laboring under the delusion that taxation is merely a question of statutory enactment, to be changed and amended, as a cook might vary the ingredients of a cake.

The real law of taxation is as fundamental and inescapable as the law of gravity. Social order is as impossible without this recognition, as physical order is impossible without natural law. To the extent that statutory law conforms to natural law there will be peace, prosperity, and progress. To the extent that statutory law departs from natural law there must follow injustice, confusion, and strife.

Some of the present tax laws rest upon fundamental principles, others are at utter variance with these principles. It will be the purpose of TAX FACTS to point out this difference, and establish all laws upon a sound economic basis.

AN APPEAL TO REASON

Our purpose is to help show the American people that the present system of taxation is unjust to all who labor, to all who own homes, to all industry.

We wish to lead people to the simple but unrecognized truths that it is bad policy to tax a man more for his land if he uses it than

if he holds it idle; that it is unwise to take for public use wealth which the individual has created, in order that a limited group may keep value which the public has created; that it is silly to penalize thrift and put a premium upon idleness; that it is foolish to deprive the worker in order to reward the profiteer; that it is idiotic to tax the people in such a way that a man can work more than he can earn; that it is assinine to pay a private tax on land, when this tax should be paid into the public treasury; that it is puerile not to recognize the difference between earned and unearned wealth; and that the present system of taxation compels social injustice.

We hope to convince some people that the remedy is simple and practicable; that to apply it needs no revolution nor violence; that people can believe in social justice without being against the government; that the best appeal to the American citizen is a calm appeal to the reason of the individual, and not an emotional harangue to a mob.

WILLIAM C. DE MILLE

WAGES AND TAXES

No one has more interest at stake in the tax question than labor. Unwise taxes curtail income and increase outgo. The legitimate interests of labor are bound inseparably with legitimate business. Both labor and business are victims of monopoly.

Business, as business, does not, and cannot, oppress labor, any more than one laborer oppresses another laborer. What oppresses labor is the same thing that oppresses business. That thing is land speculation.

The man who merely holds land that is not used, or that is used by others, exacts a heavy toll of labor that would work upon it; or of business that would produce wealth upon it. In other words, land speculation preys upon both labor and business; when they become desperate they quarrel with each other, instead of joining forces against their common enemy, monopoly.

Let labor and business unite on a plan to tax vacant land the same as improved land of like situation—at the same time exempting business and improvements—and there will be no valuable land held idle for speculation.

Labor and business will then divide between them the total wealth produced, each out having to share it with the speculator.