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THE STATESMANSHIP OF HENRY GEORGE

By Louis F. Post, Former Assistant Secretary of Labor

Those teachings of Henry George which distinguish him as an economic philosopher and far-seeing social prophet—the “Prophet of San Francisco,” if you please, for that is what his most famous critic sneeringly called him—seem in some quarters to have cast into obscure shadow his teachings as a statesman. Yet the statesmanship of Henry George is indispensable to a practical pursuit of his economic philosophy and an ultimate realization of his social vision.

As an economic philosopher he dug down to roots for causes. He surveyed surfaces for effects. He related effects to causes. Having found the radical cause for the industrial disease which he described as persistent poverty among wealth-producers in spite of wealth-producing progress, he proposed a radical remedy. Could he himself have cut out the cause as with a surgeon's knife, he would doubtless have done so. Why let a deadly disease linger? This was his impulse as a social prophet, and as an economic philosopher he urged upon mankind the radical remedy. But he was also a statesman.

As a statesman, Henry George knew that social customs so firmly rooted could not be up-rooted over night. Not that society would be worse, even temporarily, for the sudden change; nor that individuals would unrighteously suffer; but because individuals in the mass, the social whole, would not immediately consent. None knew better than he that there never was a successful social revolution in any other sense than as a slightly forward step toward its ideal. He realized that the social body, like the physical bodies that compose it, is a developing organism and not a jumping jack. Though his vision was revolutionary, his plans for realizing it were nevertheless evolutionary. He proposed a progressive

policy along lines of least resistance. With statesmanlike forethought and skill, he thereby made himself a pathfinder through our social wilderness to the social Eden he saw beyond.

“It is a maxim of statesmanship,” he wrote in outlining his plan, “which the successful founders of tyranny have understood and acted upon—that great changes can best be brought about under old forms. We, who would free men, should heed the same truth. It is the natural method. When Nature would make a higher type, she takes a lower one and develops it. This, also, is the law of social growth. Let us work by it. *With* the current we may glide fast and far. *Against* it, it is hard pulling and slow progress.”

As the first step in his progressive path Henry George advised a movement for the transfer of all taxes from productive processes to the social increment of value which attaches to monopoly of social sites and natural resources. That was forty years ago. This comprehensive change seemed then easy to popularize, and therefore the obvious first step. Since then, however, experience has demonstrated the necessity for making the first step a shorter stride. In accordance, therefore, with George's own principle of social progress, the shifting of taxation which he proposed as a first step toward realizing his social vision must itself be realized step by step instead of all at once.

Movements for shifting taxation from earned production-values to unearned land-monopoly values gradually, are gliding with a popular current toward the goal of George's prophetic vision. They are gliding faster and farther *with* the current than the hardest pulling by the most enthusiastic of up-stream pullers could possibly pull them *against* the current. Better would it

be for a general understanding of the economic philosophy and an earlier realization of the social vision of Henry George, if his disciples did not so often allow the truths of his philosophy and the splendor of his vision to divert their thought from the wisdom of his practical statesmanship.

THERE WAS A REASON

Americans are contemplating thoughtfully the figures issued by the Department of Immigration and Colonization, Ottawa, Canada. According to this authority 748,095 persons moved from the United States to Canada during the ten years from 1911 to 1921. In western Canada, where nearly all these immigrants settled, the local governments made a point of encouraging settlers by lightening the tax burden.

Rural communities in Manitoba have for the past twenty years exempted improvements from local taxes, and taxed land values. In cities, towns and villages improvements are taxed at two-thirds their value, but land is taxed at full value. Similar provisions obtain in the other provinces. The Provincial government of Alberta levies an annual tax of one percent of the selling value on vacant lands held in large areas and capable of cultivation. There is also a tax of five per cent of the increment in the value of land (apart from improvements) when the land changes hands. British Columbia levies an annual Wild Land Tax, outside the boundaries of municipalities, of five per cent of the assessed selling value of land that has not improvements on it amounting to \$2.50 per acre west of the Cascade Mountains, and \$1.25 east of the Cascades.

HE HAD AN IDEA

A distinguished San Francisco lawyer, speaking against the Water and Power bill, gave as one of his reasons why he opposed its adoption, the fact that there are now 5,000,000 acres of California idle land within reach of water. That is a good point as far as it goes, but like the boy's home-made shot gun that did more damage to the hunter than to the game, the charge impeaches the whole land system of the State.

Not only are there idle acres in the irrigated regions, but there are millions of acres of tillable land all over the State that settlers would eagerly put to use were it not for the fact that speculators have boosted prices out of reach. There are also millions of vacant lots in the various cities and towns of the State that home seekers would be glad to build on, were

it not for the fact that speculators must first be bought off at prohibitive prices.

This condition will continue as long as the tax system of the State makes it more profitable to hold land idle than to use it. When the producers realize that they are bearing the burdens of government, while speculators reap the profit, they will change the system.

This will not be an easy thing to do. The speculators pander to the gambling instinct of people. They have made them think land speculation an easy road to riches. The rise in land prices is mistaken for an increase in wealth, when in reality rising land prices merely enable speculators to take a larger share of the wealth produced by labor and capital.

Real estate agents, or realtors, as they now call themselves, have a legitimate work in laying out subdivisions when needed, and in bringing buyer and seller together. But the man who merely holds land for a rise, whether it be a single building lot or a vast tract of land, should be put out of business, as the "wildcat" bankers were stopped in 1866, by a ten per cent tax on their circulation. Lay a similar tax on idle land, and it will be opened up to labor and capital for the production of wealth.

CAUSE AND EFFECT

California Real Estate for September had this to say, as a reason why Realtors should support the measure giving the State Railroad Board power to grant perpetual franchises to city street car companies: "Every time a mile of new highway is laid down in California, or a mile of new street-car track contracted for in any city, the cash register rings in every store, factory and real estate office in the State. Every owner of a foot of California land would be justified in writing up the value of his land and refusing to sell at the price he asked yesterday. Every time a piece of farm land or city property is sold, a large part of the price is not for dirt or tangible improvements but for transportation."

Two things strike the attention in that statement. The first is that transportation does not add to the price of any article in any store. The land only is increased in value. The second is that transportation is paid for entirely by consumers, that is, passengers and shippers. The owners of land, as landowners, pay nothing for the building, upkeep, or operation of the transportation that adds value to their land. This is a fine arrangement for land speculators, but what have the passengers and shippers who pay the bills to say about it?

CALL FOR A CONFERENCE OF CALIFORNIA SINGLETAXERS

We, the undersigned Singletaxers, acting as individuals, hereby call a conference of California Singletaxers to meet in Fresno, January, 19, 20, 21, 1923.

The purpose of this conference is to consider issues involving the Singletax, and to determine upon a program for the future.

This invitation shall go to all known California Singletaxers, and shall be published (the editors willing) in the Single Tax Review, the Single Tax Bulletin, the Henry George Standard, and Tax Facts.

Fresno: John H. Meyer, Julia G. Meyer. Huntington Park: Wm. F. Lusk. Los Angeles: Anna George de Mille, David Woodhead, H. C. Joneson, C. H. Geldert, O. M. Donaldson, J. H. Ryckman, Palmyra Pressly, A. G. Sharp, Levi McGee, Chas. F. Hunt, Annie Wallace Hunt, George A. Briggs, Anthony Pratt, Mrs. Anthony Pratt, H. W. McFarlane, E. W. Grabill, Stoughton Cooley, Norma Cooley, A. M. Beebe, Marie H. Heath, R. J. Miller, J. F. Clewe, Robt. L. Hubbard, Marshall Beck, Eleanor V. Beck, S. E. Knowles, R. W. Kersey, S. B. Welcome, R. J. Kinsinger, Frances Harmer, Ada F. Plant, F. W. Kringle, Leon G. Young. Maywood: R. E. Chadwick. Mill Valley: George S. Conroy. Oakland: W. G. Eggleston, H. F. Desau, Frank D. Butler, Mrs. Katharine Butler, Margaret Butler, W. E. Beck, Geo. B. Rounsevell. Ontario: W. H. Maguire, Olive Maguire. Palo Alto: Fred W. Workman. Pasadena: Geo. E. Lee, Frank H. Bode, Geo. H. Sinton, Mary A. S. Sinton, Mrs. M. J. S. Otis. Placentia: W. L. Rideout. Puente: Frank Scherer. Riverside: R. M. Irving. San Diego: Cary Richard Colburn, Martha D. Colburn, Grant M. Webster, Elise Jewett Webster, John S. Seibert, Frank Williams, Jas. P. Cadman, Mrs. Lulu G. Guthrie, R. E. Mahony, Elizabeth Tower, A. T. Johnson, Harriet M. De Nike. San Francisco: Roy R. Waterbury, Stephen Potter, Carlos P. Griffin. Santa Ana: B. E. Tarver. Sawtelle: H. C. Stone. Berkeley: Arthur G. Brodeur, Maude N. Brodeur. Inglewood: Thorwold Morck. Lakeport: P. H. Millberry. Lindsay: H. E. Barlean. Los Angeles: J. H. Talbot, Anna Sella.

Those desiring to attend the conference are requested to communicate with Stoughton Cooley, 420 American Bank Building, Los Angeles, Cal., acting for the signers of the call.

THE EFFECT OF TAXATION

The Labor Speaker's Handbook, just put out by the British Labor Party (price 1 s.), says of the Party's proposal to tax land values: "The immediate effect of a direct tax upon the value of land would be the opening up of land for productive purposes. It would end the present system which allows a landowner to be assessed at £490 for land which has a value of £50,339 when it is required for building purposes (the Bellingham site purchased by the L. C. C.). Under Labor's land value tax scheme, the owners of land would be taxed according to the value of their land as entered in the valuation roll; this same valuation would be the basis of the purchase price. The

pressure of the tax so levied would compel the owners of land either to use their land or to make it easy of access for those who would be willing to use it. In this way we would promote the development of the land, and, by virtue of the fact that more land had been brought into use, rents would be reduced. The effect of opening up greater opportunities to labor must be readily appreciated by those who are suffering from unemployment. Apart from these economic considerations, there is the just claim, that as the land value is unquestionably the creation of the community as a whole, therefore the community have a moral right to appropriate through the machinery of taxation a part, or, if need be, the whole value of the land value of the country."

NOTES

"The holding of large tracts of land, uncultivated and unimproved, by individuals and corporations, is against public interest, and should be discouraged by all means not inconsistent with the rights of private property."—California Constitution, Art. 17, Sec. 2.

The complete unofficial vote on the Oregon Single Tax amendment, as given by W. L. Ross, is: Yes, 39,578; No, 129,250. The vote in 1920 was: Yes, 37,000; No, 147,000. The favorable vote two years ago was 20 per cent of the total. This year it was 23.4 per cent of the total.

The amount of land in the United States subject to reclamation, according to a table made up by Senator McNary, is 22,458,000 acres of arid lands and 96,090,000 acres of swamp lands, or a total of 118,548,000. California is credited with 3,000,000 acres of arid and 3,500,000 wet lands.

"If one erects a building, he cannot carry it in his pocket, as he does his watch," exclaimed John Z. White, of the Henry George Lecture Association, in discussing the land problem. John may be right; it seems reasonable; but, you remember, Stanley McMichael, of the Real Estate Board, once urged the City Hall to build 10,000 dwellings, "as Ford builds autos," and didn't say a word as to where he would put 'em. Perhaps Stanley and his friends own all the "strategic locations." — *H. M. Holmes, in The Cleveland Citizen.*

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NOW IT CAN BE TOLD

A most regrettable circumstance of the recent California campaign was the form in which the tax question was presented to the voters. Amendment 29, the so-called Singletax measure, though for the most part sound in principle, was couched in language that gave a false impression, and caused a large adverse vote to be cast, not against the Singletax, but against what the readers of the bill mistook for the Singletax.

To be told that all taxes now levied upon labor values should be shifted to land values is sufficiently startling to the average man and woman who has not studied political economy, and knows nothing of the incidence of taxation. But for such voters to read in a proposed constitutional amendment that "private property rights attach only to products of labor and not to land, that the holding of land in private monopoly by virtue of a franchise or title deed is a privilege, that the full rent of such privileges belongs to the people collectively," is to be seized with unreasoning fear, and to instinctively vote "No."

The spirit of earnest endeavor and self-sacrifice of the men and women behind the amendment would have been worthy of all praise had it been guided by reason. But good intentions alone, no matter what the zeal behind them, can accomplish little. There is a way to do things, and no matter what our wishes or desires, things must be done in that way.

As to the amendment in question, it may be doubted if ever a proposed law has been drawn that was so perfectly designed to defeat its own purpose. So utterly at variance with reason, experience, and judgement was the phrasing of the bill that many voters who were in agreement with its purpose were obliged to remain silent; because to publically advocate the adoption of such a doctrinaire proposal was to lose cast among rational people. To flout legal forms, and to outrage people's sense of prop-

erty rights may provoke the plaudits of ultra radicals, but it will never win the approval of the mass of the American people.

The great economic problem confronting the industrial world is to be solved by a change in tax laws, not by a change in land laws. Mend the tax laws so that the revenues of government will come from publicly created values, instead of from privately created values, and the land question will take care of itself.

Not a single change need be made in our system of land tenure in order to remove its evils and establish it upon a just basis. The shifting of taxation from labor values to land values will do all that can be done.

Why, then, raise the question of property rights to confuse the voters' minds. Man seeks to satisfy his desires by means of least exertion, said a great economic philosopher. Let his would-be disciples take heed of that truth.

But there is a reason for a change of policy on the part of a certain type of Singletaxers that should prevail when logic fails; experience. There have been six Singletax campaigns in California, two for home rule, and four for direct Singletax, as follows:

Year	Measure	Vote		Per Cent in favor
		Yes	No	
1912	Home Rule	162,321	243,959	41
1914	Home Rule	267,618	375,634	41½
1916	Singletax	260,332	576,533	31
1918	Singletax	118,088	360,334	25
1920	Singletax	196,694	563,503	26
1922	2/3 precincts	105,363	373,751	22

The inference is plain. The indirect, gradual, step-by-step method won favor with the people. The abrupt, revolutionary, all-at-once plan has steadily lost ground. Revolutionary methods will have the support of Socialists, Anarchists, I. W. W.'s, and some Singletaxers, but they will not have any considerable support from the plain home-loving farm-owning American citizens whose approval must be had.

The plain facts of the case are:

1. The present policy of taxing labor values burdens industry, decreases production, and raises the cost of living.

2. Undertaxing land and monopoly values encourages speculation, keeps valuable lands out of use, artificially advances rents, and still further burdens industry, limits production, and increases the cost of living.

3. The remedy lies in the gradual shifting of taxes from industry to land and monopoly values in a way to avoid financial shock, and cause no one to suffer injustice.