

## THE LAND VALUE TAX.

PORTION OF AN ADDRESS DELIVERED AT  
KANSAS CITY, MO., BEFORE THE REAL  
ESTATE BOARD BY A. A. WHIPPLE OF THE  
WHIPPLE MCMILLAN REALTY CO.

Land speculation has absorbed, and is still absorbing, our available capital to such an extent that it is almost impossible to secure any capital for the most worthy and promising manufacturing enterprise.

Within the past two years, nearly seven million dollars have been paid for property along the Belt Line, and with the exception of that received by factories, which were by it displaced, as far as I know, not one dollar has been invested in any kind of a manufacturing enterprise. Can you imagine what the effect would have been if this seven million dollars had been devoted to manufacturing?

Those of you who were here at the time the Kingan Packing Co., Schwarzchild & Sulsberger and Swift & Co., established their packing plants here know what then happened. A great growth of the city then began.

Taxes are now assessed upon Adam Smith's visionary theory of "payment in proportion to ability to pay." This is as though you were to be charged \$50 for a suit of clothes worth but \$25, because you were able to pay \$50 for it and they talk about it being done upon an equal basis in proportion to wealth. What is the effect? Taxes are laid on land, on improvements, on all kinds of personal property, upon the capital of the banks, on the stocks of merchants, on the raw material and the finished product of manufacturers. Various and sundry licenses are charged; the farmer and the market gardener are held up for bringing farm and garden products to town, and the huckster must contribute to the city's revenue before he can peddle "oranges and bananas" upon the street.

What is the result? Although the law explicitly provides that land, improvements, and personal property, shall be assessed at their full value, land is assessed at about 25 per cent., improvements at about 40 per cent. and personal property, when truthfully returned, at 100 per cent.,

but generally at from nothing up to 20 per cent. If our real estate notes were assessed according to law they would pay a tax of 2.95 per cent; which means that a six per cent. mortgage would then yield less than a government bond. Our banks, instead of contributing \$187,000 would contribute some \$550,000 to \$600,000. This is the only civilized country in the world which imposes a tax upon personal property.

A personal property tax is bad, very bad. First, because it leads to perjury and fraud; secondly, because it rests principally upon consumption; thirdly, because, like a rolling snowball, it increases in size as it passes from manufacturer and from dealer to dealer, each adding his profit until unloaded upon the consumer, who is oblivious to the amount he pays. For instance, when you buy a pair of shoes you unconsciously return to the retailer in one big amount the personal taxes previously paid upon them by the farmer, the packer, the tanner, the manufacturer, the jobber and the retailer, plus a little profit to each. Nearly everything you and your family wear and eat pays a multiple tax in the same manner. Is it any wonder that the cost of living is high?

## A SUGGESTION FOR THE SOCIAL SERVICE COMMISSION.

"Back to the land" has been the remedy from time immemorial for congestion of population. It is palliative if not remedial. For the most part these movements towards the land in the past have expressed themselves through emigration from one nation or continent to another. In America land colonies have been formed in various parts of the nation with varying degrees of success, while some have been failures.

The opening up of the new lands in the arid West through the operation of the Reclamation law, signed by Roosevelt, and under which for construction work over \$67,000,000 have thus far been expended, has been a remarkable and most praiseworthy undertaking, indirectly affording relief to the congestion of our population.

There is, however, a weakness in this