

The Low-Down on Taxes

Wide Range of Tax Assessments Shows Glaring Lack of Business Methods!

How much are you, as an individual, paying in taxes each year for police protection in your city? How much for fire protection? Are you paying for city services that no longer exist? Why does police service in one city cost the individual over \$11.00 per year and less than \$2.00 per year in another? These and scores of other questions should be asked by tax-burdened citizens throughout the nation.

The average citizen is fully aware of the total tax figures but these mean very little to him. When those figures are reduced to a basis of per capita or per family charge, then they really mean something to the taxpayer. This will give him an opportunity to evaluate expenditures on a sound comparative basis. *This type of information is public property and should be made available to citizens.*

The subject is an unpleasant one. Therefore, very little publicity is given to it. Local tax bills are rendered annually, being up for public discussion only a few weeks of the year, at which time very little is done about the taxes. If the tax bills were rendered MONTHLY, the public would be constantly reminded of taxes and would seek remedies for unfair or unnecessary charges.

If residents of our big cities fully realized what municipal services were costing them each year and how these costs have multiplied during the past ten years, it would not take them long to offset the present threat of local bankruptcy that many cities are facing.

In a series of articles on "Tax-Free Cities," published in four previous issues of *Progress Digest* it was shown how unnecessary taxes can be lifted from the shoulders of overburdened taxpayers. The theme of the series is that of converting city waste and by-products into revenue in amounts equal to the annual expenditures necessary to run the city. As pointed out in the previous articles, there are a great many ways in which a city may do this. Another article on the subject of Tax-free Cities is included in this issue.

Municipal expenditures should be reduced as new revenues from city wastes are added to the city's treasury. In that way funded debts can be paid off and local taxes reduced to a very nominal figure or eliminated entirely.

For the purpose of cooperating with readers, *Progress Digest* includes here comparative reports of expenditures in 32 typical cities. The figures are from the

1940 U. S. Department of Commerce records. The classifications of expenses are very limited but the figures should be valuable in revealing the great differences of costs for services.

For example, in the chart presented here, the vital consideration is the comparisons in expenditures for the same type of

services in the different cities. Populations and locations are given because some critic might feel that these factors have a determining influence. The figures seem to show that such considerations in this group of cities are minor. *Local management* plays the decisive role.

City	Annual exp. per capita	Annual exp. family of 4	Police per cap.	Fire per cap.	Funded debt family of 4
Duluth, Minn.					
101,065	\$39.30	\$157.20	\$2.99	\$3.68	\$280.44
South Bend, Ind.					
101,268	27.27	109.48	2.71	1.39	211.44
Lowell, Mass.					
101,389	53.28	213.12	3.30	3.64	155.60
Tampa, Florida					
108,391	29.24	116.96	1.93	1.98	376.68
New Bedford, Mass.					
110,341	51.35	205.40	3.65	3.19	209.32
Reading, Pa.					
110,568	31.00	124.00	2.71	1.39	336.56
Wilmington, Del.					
112,504	30.75	123.00	3.35	3.06	157.44
Spokane, Wash.					
122,001	30.03	120.12	2.32	2.55	126.92
Chattanooga, Tenn.					
128,163	21.89	87.56	2.22	3.07	436.08
Salt Lake City, Utah					
149,934	29.87	159.48	2.29	1.74	151.00
Des Moines, Ia.					
159,819	31.65	126.60	2.32	3.53	306.28
Ft. Worth, Texas					
177,662	27.64	110.56	2.53	2.93	454.32
Richmond, Va.					
193,042	37.19	148.76	3.11	3.29	389.52
Oklahoma City Okla.					
204,424	23.38	93.52	2.29	2.02	182.60
Syracuse, N. Y.					
205,967	47.38	189.52	3.23	4.02	538.84
Dayton, Ohio					
210,718	36.06	144.24	2.30	2.33	216.60
Omaha, Neb.					
223,844	27.91	111.64	2.60	3.25	218.28
Birmingham, Ala.					
267,583	20.21	80.84	2.19	2.56	283.56
Jersey City, N. J.					
301,173	92.25	369.00	11.53	5.80	841.68

City	Annual exp. per capita	Annual exp. family of 4	Police per cap.	Fire per cap.	Funded debt family of 4
Atlanta, Ga. 302,288	30.07	120.28	3.42	2.54	126.92
Kansas City, Mo. 399,178	39.59	148.36	4.02	2.63	546.00
Newark, N. J. 429,760	86.06	344.24	8.10	4.65	658.48
Cincinnati, Ohio 455,610	59.38	237.52	3.95	2.97	437.60
New Orleans, La. 494,537	30.83	123.32	3.17	2.58	546.20
San Francisco, Cal. 634,536	63.78	334.60	5.97	5.59	291.66
Pittsburgh, Pa. 671,659	55.35	221.40	4.78	3.34	782.88
St. Louis, Mo. 816,048	39.41	147.64	6.15	2.61	325.24
Baltimore, Md. 859,100	47.19	188.76	5.40	3.58	435.00
Detroit, Mich. 1,623,452	56.41	225.64	6.48	2.93	651.24
Philadelphia, Pa. 1,931,334	45.02	180.02	5.87	2.55	562.04
Chicago, Ill. 3,396,808	66.01	264.04	5.96	2.43	430.56
New York, N. Y. 7,484,995	84.99	339.96	7.95	4.37	412.92

If *YOU* live in one of the cities listed here you will, of course, be interested in comparing the record of your metropolis with the others. In case your city is not included, it may possibly be in the list which will be published and discussed in the next issue of *Progress Digest*. If you wish us to include your city records, please let us know as soon as possible.

The important consideration in studying these figures is to note the best records, rather than the average. Someone might say: "Well, our town is as good as the average." But to this the reply should be that "average" expenditures are not of much impor-

tance where pocketbooks are concerned. The winner of a race is not the man who beats the average but the one who is best. Our city expenditures can be "average" but still be too much!

The point is that if several large cities have shown that fire departments can be operated at approximately \$2.00 per capita, then there is little reason why any city should pay much over that figure for the same service.

If a number of important municipalities operate all services at a cost of less than \$30.00 per capita per year, what excuse is there for higher figures. Our next report will show that there are

hundreds of cities and towns which do hold their expenses within that figure. The burden of proof for spending more than that amount is upon the city fathers in localities where the figures are higher.

One Cause of Heavy Taxes

By this statement we do not mean to imply that \$30.00 is a proper figure. Our belief is that any such amount is far too high. The trouble has been that services of one kind or another have been added in most cities—particularly during the past twenty years—with too little regard for the pocketbook of the average taxpayer. Budgets made from year to year have become a tradition. Nobody wants to break the tradition. So jobs are continued and expenditures maintained because the public continues to pay the bill without analyzing the charges.

A very remarkable report from Detroit throws interesting light upon this vital subject. For instance, it reveals that in 1860 the per capita tax was \$4.63 and the total number of services rendered by the city was *fifty*. In 1890 the per capita tax had grown to \$11.46 per year and the number of kinds of services had risen to

108. By 1932, the worst of the depression years, the per capita became \$50.02 and the number of services had increased to 341. In 1941 the per capita tax dropped back to \$41.74 but the services rendered to the public had continued to increase to 396.

To say that any reader will be surprised over the number of services rendered is putting the case lightly. Perhaps all these services are needed in big cities. Perhaps, too, the people everywhere are glad to pay for them! One good way to find out, however, would be to list them all on a voting ballot and place opposite each service the cost per year for it, and then let the people decide whether or not they are essential.

It might be, however, that if the city fathers of all large cities had to "create" the money to pay for services rather than to "raise" it by threat and power of confiscation, there would be a quick reduction in budgets throughout the land.

Why not put our cities on a revenue producing basis? It can be done. Just follow the suggestions outlined in the many articles published in *Progress Digest* "Road to Tax-Free Cities" series.

A young doctor returned to his native village and called upon the old family physician.

"I suppose you intend to specialize," remarked the latter.

"Oh, yes," replied the young man; "in the diseases of the nose;

for the ears and throat are too complicated to be combined with the nose for purposes of study and treatment."

Thereupon the family physician inquired: "Which nostril are you concentrating on?"