

Hire You? I Don't Dare

By John C. Lincoln

People in Washington and people all over the country are wondering why there is so much unemployment. If they will take a glance at our taxation laws they will be able to find one reason. Any activity undertaken which will provide employment is very heavily fined not only when the undertaking is started but yearly thereafter until the undertaking is forced out of existence.

For example, my associates and myself built the Camelback Inn. This undertaking gave employment during the summer of 1936 to about 100 persons for about six months. During the summer of 1937 direct labor employment amounted to about fifty for six months. In addition to direct employment, several car loads of cement were used which kept a number busy in El Paso making cement. Some carloads of plumbing supplies were used which kept a number busy in East St. Louis for a substantial time. Several carloads of lumber were used which kept a number of workers employed in Oregon and Northern Arizona. Hardware for the Inn kept a number of producers employed in Connecticut. Steel window frames kept a number employed in Ohio. All together it is a reasonable estimate that the construction of the Camelback Inn kept 200 persons busy for a year.

Now what does a community do to people who commit such a heinous crime as keeping 200 persons busy for a year? They come around and fine them between \$5000 and \$10,000 for the first year and the enormity of the crime is realized when this fine is assessed not once but every year. It is true that this payment is not called a fine but is called taxes. But the prohibiting effect of an enforced payment of \$5000 or \$10,000 is just as great when it is called taxes as it is when it is called a fine.

The only way we can avoid paying this yearly fine is by firing all our help and tearing down the build-

ing; then this yearly fine is remitted. To a man from Mars it would seem that this method of penalizing activity which produced employment was a poor way to encourage employment. Would not it be more reasonable for the community to collect the fund which is produced by its presence and activity for community purposes and stop fining people for doing things which will make employment?

For instance: In Cleveland some years ago on the Public Square was a Fannie Farmer Candy Shop. This shop was housed in a very poor building, the value of which was negligible. The shop only had a ten-foot front but the location was very desirable so the ground rent of this candy shop was \$2000 per year per foot. Is it not perfectly clear that this \$2000 per year per foot was produced by the presence and activity of the million and a quarter people who live in and around Cleveland? The owner of the shop's site was able to collect this amount not because he produced it but because he has the right, by law, to make this levy on the people who live in Cleveland and vicinity. Is anything clearer than that this \$2000 per year per foot is a community product and is anything fairer than that the community should take this sum for community purposes which would enable it to stop fining people for doing things which make employment?

Lately the Federal Government has got into the business of fining people for employing men and women. A year or so ago the fine was 1% of the wages. This year it is 2%, next year it will be 3%. In addition, the Government is fining people who are employed the same amount. These fines are called Social Security Taxes. In theory these Social Se-

curity Taxes are held in a special fund by the Government to be paid out in some future time when a person gets to be 65 years old.

Does the Government actually put these Social Security Taxes in a special fund? It does not. It uses them for the ordinary expenses of Government such as paying Congressmen, building war ships, paying expenses, keeping W.P.A. alive, paying the deficit in the Post Office Department caused by the franking privilege that all the Government Departments and Congress have. By the way, did you hear of the Congressman who used his postal franking privilege to frank a cow from the Atlantic Coast to some place in the Mississippi Valley?

It is true that the Government issues its bonds for these Social Security Taxes but this is simply a guarantee that the Government will at some future time, ten, twenty or forty years from now, tax the people who are alive at that time to make up the amounts which the Government has collected this year as Social Security Taxes. In addition to the burden of the actual taxes collected, the Government has increased the cost of doing business very greatly by the reams of questionnaires and reports which are demanded and which cost from \$500 to \$25,000 a year to take care of depending upon the size of the concern.

Is it any wonder that business is breaking down when it is penalized and pestered and abused as Government is doing at present? There is not much hope that our people, including our law makers, will realize that there is a fund, ground rent, created by the presence and activity of the community which should be used for community expenses. This is altogether too simple and reasonable and right for us to grasp. It is altogether likely that the present scheme of penalizing productive enterprises will continue until productive enterprise disappears to a great degree, and we go either Fascistic or Communistic depending upon the way the coin falls.

