

TAX FACTS

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The New Renaissance

The period through which we are passing is a period like the fall of the Roman Empire, like the Renaissance, like the beginning of the political and social revolutions in England and France—it is different from them all, is more powerful than them all and holds the world more in its grip than any of them, but it resembles them in its epoch-making character. Dr. Nicholas Murray Butler.

The world is so oppressed with the deplorable conditions of unemployment and consequent actual suffering, so confused with this chaotic condition of hunger and an oversupply of food products, so fearful of setting foot on the wrong trail in its attempt to get out of the wilderness, that it cannot appreciate fully the significance of the change that is taking place in the world's concept of human relations nor the magnificent opportunity that has been given us to place this civilization upon a new basis.

Dr. Butler is right. This is another Renaissance, more momentous than the intellectual awakening that stirred the Middle Ages. Political revolutions, notably in our own Colonial days, have given us political freedom, and in 1865 we closed the war that assured every man in this country personal freedom and made every man legally his own master. We are face to face with the next great step in the growth of human liberty—the achievement of economic freedom, without which, complete personal liberty is not possible. Political freedom is the means to that end, and in what country is that power greater than in the United States of America? What country is less restricted by old customs, precedents, traditions? No country on earth has the possibilities that ours has to show the world that poverty and want is not the necessary accompaniment of material and scientific progress.

No new thing can be born without pain. Our colonial forefathers suffered for the victory they won. Men died, families were parted and a countryside laid waste in the bitter struggle to wipe the blot of slavery from our nation. It is

wholly unnecessary to repeat any of this deplorable suffering and bloodshed. If it were, our American Revolution would have been fought in vain. Ballets can take the place of bullets.

Those who have amassed huge fortunes must learn to live with less. Those who have been living on the labor of others must learn to win their own bread. No greater shock than this need come with the readjustment of our laws.

What is economic freedom? It is the freedom, the right, the possibility for every man to provide himself with the necessities, and such luxuries as we have come to look upon as the necessities of life, without paying toll to any other man for the privilege of doing so. Every child that is born in the most densely populated areas of our great cities has the same inalienable right to wrest a living from this earth as had our prehistoric ancestors that found the wide and open spaces very wide and open indeed. Until that right is recognized apart from race or birth or creed, without class distinction or artificial social restrictions, there can be no hope of doing anything fundamental in making human life on earth the wholesome, happy existence it was meant to be.

For more than a hundred and fifty years, America has boasted of her high ideals, she has sung of the land of the free and the home of the brave. Is she brave enough to make that vaunted freedom an actuality? Is she intelligent enough to show the world how a few simple, painless laws can silence forever the claims of the communist and the demands of the dictator? Will you men and women, who cling to your ballot so jealous-

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THE GREEKS ARE COMING

In 1932 we are going to have company and some folks think we ought to have our faces washed and our hair combed. In other words, we have looked upon our vacant lots, and found them unkempt and unsightly. They are all right for home folks and the common variety of tourists, but for the party next year, the Olympic Games, we must look our best. Committees are planning to scatter wildflower seed on some of the vacant lots in Los Angeles in the hope that a few seeds may take root and grow high enough to look over the wild oats. If we don't make a good impression, visitors won't be tempted to buy real estate, and what are we having the games here for, if not to boom real estate?

How many vacant lots in your town can you point to with pride? How much vacant property, rank with weeds and sometimes with tin cans and other debris, ever inspired you to say to your out-of-town visitor: "Now, there's a man who takes pride in seeing his home town look its best. He isn't ready to use that lot yet, maybe never will use it, but he put in those flower beds a couple of years ago, keeps the grass mowed and the shrubbery trimmed, and it sure makes a difference in the old town. Several other vacant lot owners have followed his example and you'd be surprised at the compliments we've had from outsiders. Why, we've sold more real estate since those vacant lots were fixed up than we ever did before in the same length of time. It's the best ad this town ever had."

Nothing in the world gives value to land except the presence of population. When a man buys a lot, he should realize that he is under obligations to his fellow citizens and should assume the responsibility of keeping it in decent condition. If he does not wish to improve it with a building, he should at least keep it neat and trim with whatever planting, formal or informal, is appropriate to the neighborhood and general locality. Imagine sight-seeing in a town where there was not one disreputable looking vacant lot!

To hope that property owners will assume this responsibility of their own accord, or will submit to laws that will force them to raise asters instead of tomato cans, would be to ignore entirely man's inhumanity to man. Suppose we improve our lots and solve our unemployment problem at the same time by making laws that will give men the opportunity to work, laws that will make land, without which they cannot work, available to laborer, merchant, manufacturer, clerk and, in short, to every man who is willing to produce what he uses instead of living on the labor of others like a lord of the middle ages—or any other age. In that case, it would be so unprofitable to hold land vacant or to put it to any but

the best possible use, we just naturally wouldn't waste it on tin cans. Tin cans are useful things to have around a canning factory, but they are not very ornamental on town lots, and neither are weeds or torn papers or any of the refuse of civilization.

It would be a fine thing if we could put our unemployed to work so that visitors to Los Angeles next year would find the wheels of industry humming, the bread lines deserted, the community chest officials puzzled over what to do with their unused funds and the old town looking as if we had never heard of a business depression. This couldn't be done by next year, but it could be done long before another business depression comes upon us—and it's coming, sure as Christmas.

THE NEW RENAISSANCE

(Continued from Front Page)

ly, give up the idea that special privilege of any kind is the inherent right of a few? Will you, for you can, make this crisis the last sickening struggle through which mankind must pass to a better, sweeter life here on earth? Will you make this change, not a revolution, but an evolution as natural and orderly as the evolution of life itself? This is the greater Renaissance. No people that ever lived have had the opportunity that we have to wipe out the disgrace of poverty, the incentive to crime, the crushing burden of toil and drudgery, the unnatural conception of master and man that warps the souls of both. There is a cry in the human heart today that must be answered. Neither the guess work of business men nor the platitudes of politicians will do. Every man and woman must think seriously of himself, not only as an individual struggling to maintain his own life, but as an integral part of the economic life of the country whose problems must be met with courage and intelligence. No man can live for himself alone, your problems are your neighbors problems, and his problems are yours. Prosperity is not around the corner. It is ahead of you on a straight and narrow road, and you can go there if you will. America can, indeed she must, lead the way. She claimed liberty in her Declaration of Independence. She promised it in her Constitution. We, the men and women of the United States, must substantiate that claim and fulfil that promise.

Americanism: Trembling with fear because distant Communists take what they want; feeling an amused indifference when gangsters take what they want.—
Publishers Syndicate.

WITHOUT PREJUDICE

ECONOMIC SCIENCE AND THE PUBLIC WELFARE by Harry Gunnison Brown. Published by Lucas Brothers, Columbia, Mo.

Mr. Brown is Professor of Economics in the University of Missouri and is author of numerous books on political economy. The worthiness of this book is indicated by the fact that this is the fifth edition.

Any book that can contribute to the very meager knowledge that the public has of the fundamental principles of political economy is important at this time. When merchants are begging the public to buy in order to stimulate business, when city councils are concocting such slogans as "Buy as you would sell," when bill boards bearing the physiognomy of Mr. Coolidge tell us that "Profitable price standards are an essential to wage scales and economic recovery," and many more unhelpful words are poured into our ears, it is just as well to find out what the relation is between price and wages, between rising and falling prices and interest, between price and demand and supply; what determines general prices in time of business depression. People should know these things if they expect to solve their economic troubles, and these are some of the things that Prof. Brown explains clearly and concisely in this book.

Prof. Brown analyses the business depression in such a way that men who are willing to master these fundamental principles can go ahead and do something constructive to pull us out of the depression instead of repeating a few sentiments of Pollyana optimism that are irritating instead of helpful. If you are a Republican, you believe in a high tariff, if you are a Democrat, you believe in a low tariff—for no reason at all except that your father believed that way, or sumpin'. Read this book and know exactly what a tariff is and does, how it effects unemployment and general welfare. Know, don't guess, what land rent is, what makes it, and what land-value taxation has to do with it.

Prof. Brown has the courage and the wisdom to state the truth about the laws that govern society. He is not influenced by selfish motives to propound economic doctrines in a manner that will be beneficial to any interests whatever—except the interests of all humanity.

UNIVERSAL HOME OWNING

When a ship with insufficient life-boats sinks, any man may be saved, but not all on board can be saved. Saving some is not enough; provision must be made for saving all. It is not enough to say that our country provides opportunity for any man who works and saves to own a home. We must have a country in which every man who works and saves can own a home.

DR. KLEIN'S DECALOGUE

Dr. Julius Klein, Assistant Secretary of Commerce, has added his name to the list of those who insist that the only solution to this problem of business recovery is more jobs. Surely, it doesn't require any great amount of astuteness to arrive at that conclusion. Instinct ought to tell us that the best cure for hunger is to take food, but the problem of where and how to get the food must still be solved.

In his talk to the Nashville Chamber of Commerce, Dr. Klein listed a "decalogue of the depression," but not one of his ten "Do not's" made any mention of taxation, which is the pivot upon which the whole problem revolves. Dr. Klein said that we must not "fall into the fallacy so common among European industrialists of expecting the wage earner to bear the brunt of the readjustment . . . There is plenty of slack elsewhere." There is, but not the "careless production, inefficient management" and so forth that Dr. Klein mentions. The "slack" that must be taken up or put down or cast overboard somehow or other, is the devastating factor of high rentals and high priced real estate. Only a sane system of taxation can cure this trouble and it won't take a "decalogue" to handle the situation. We need just one "don't" and one "do." Don't tax the products of labor because they belong to the individuals that created them. Do tax land values because they belong to the community that created them.

SIMPLE SOLUTION

Will Rogers says that every state in the Union gambles as much as Nevada does, but "they were smart enough to pass a law and get some money out of it." Mr. Rogers goes on to suggest that if we "tax Wall Street on every 'game' they run we would get enough revenue to run the government on." Why confine that idea to the little picaune gambling on Wall Street, Mr. Rogers? Gambling in real estate is going on along all the Broadways and Main Streets in every city and town in the country, up and down all the highways and byways of the Union. It is spread out over the farm lands like a pest of locusts. Tax that gambling game, Mr. Rogers, and we'll be sitting pretty.

Trade is missing the expenditures of the expender.—*Weston (Ore.) Leader*.

The Bolsheviks appear to threaten every business but that of lending money.—*Milwaukee Journal*.

The annual prize for faint praise goes to the booster who said flying is now as safe as walking.—*Denton (Tex.) Record Chronical*.

The political platforms will be different next time. One will blame Providence and the other will blame Hoover.—*Springfield News-Sun*.

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ON TRIAL

Dean Wallace B. Donham of the Harvard Graduate School of Business Administration says: "Capitalism is on trial and on the issue of this trial may depend the whole future of Western civilization. The justification of capitalism is efficiency. Our present situation both here and in all the great industrial nations of the world is a major breakdown of capitalism."

If this is true, it's too bad for capitalism. In fact the only thing we can do is to follow Russia's lead and go Soviet. Capitalism is a foggy term used to cover both capital and monopoly, which are two entirely different things, and therein lies the trouble that is disturbing Dean Donham and many another economist. If the worthy Dean will examine the wreckage, he will find that it is not capital that has broken down, but a system of special privilege that was doomed to failure from the very start.

Capital is merely wealth that is being used or stored up for production of future wealth. We buy an automobile or a radio for immediate enjoyment. They constitute wealth pure and simple. We buy a tractor or an automatic drill to use in creating some new form of wealth. The tractor and the drill are also wealth, but since they are not useful in themselves, but only through their power to make something that is useful, like farm products or skyscrapers, they are called capital. There is nothing diabolical about capital. It may be a printing press or a factory. When a man sells his surplus product and stores up the money he receives, instead of the thing itself, that money is spoken of as capital. It is not actually capital. It represents capital. Capital is always a part of wealth used to produce more wealth, or a different kind of wealth. Money is never anything but a medium of exchange.

When capital is understood in its true sense, it is obvious that there can be no possible objection to it. Unless we go out and catch the festive clam with our bare hands, we can no more help using capital than we can help using the product of labor.

Whenever capital, in any of its forms, gains special advantages over other capital, at once it becomes the villain in the picture. Free competition is ended. The race is fixed. When capital goes to congress or legislatures and lobbies to have special laws passed that will give it privileges, through franchises or tariffs or licences, that are not accorded to other investments of capital, that capital becomes a monopoly. In order to do this, capital, like our great public utilities, resorts to bribery, to false education through the press and even through text books, to advertising designed to influence public opinion, especially at election time when the people must be kept in ignorance of the real issue.

It is then that capital, not as capital, but as monopoly, becomes a real menace to society. In an effort to combat this evil, the laboring class has formed unions which arbitrarily demand privileges for wage earners. The cure for special privilege is not more special privilege, but the destruction of the privilege that already exists. You can't pit monopoly against monopoly and expect them to eat each other up like the gingham dog and the calico cat. Labor must be free to work where and as it wants to. Capital must be free to invest itself where and how it like

Since there is a third element in the production of wealth, we cannot solve this problem unless we take it into consideration. That third element is land. Land alone does not produce wealth, and labor without access to land cannot produce wealth. Any condition that keeps land and labor apart means that land will be undeveloped and labor unemployed. It is inevitable. Any condition that makes both capital and labor pay toll for the privilege of using land, makes it necessary for some of the product of that labor to pass to someone who has produced nothing to give in return, for no human being produced the land or any of its forms referred to as natural resources. The higher this toll that must be paid out of production, the less there is left to pay interest to the capital invested or wages to the labor employed. Interest and wages come out of production and the price that is paid for the right to use land also comes out of production—don't forget that. The privilege of collecting toll from capital and labor for the right to use the earth constitutes the worst of all monopolies, for it is universal and is really the basis of all the other forms of privilege.

There is nothing the matter with capital as such, there is everything the matter with monopoly. If Dean Donham had said "the justification of *capital* is efficiency," and "*Special privilege* is on trial and on the issue of this trial does depend the whole future of Western civilization," he would have been much, much nearer the truth. In fact he would have been there.