

TAX FACTS

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THE MASTHEAD

To you who have passed the summit of your years and who pick your way cautiously down the farther slope—the trail that leads into the Valley of the Shadow of Death—what does life look like to you? Do you find the going down harder than the climbing up; is the pathway fraught with more dangers and pitfalls; is it haunted by the ghosts of broken dreams, desires unsatisfied, youth's promises unfulfilled?

To most of us there comes a day when we realize that certain goals we aimed for never can be reached. Some things we longed for—family, friends, fame, fortune, success of one kind or another—never can be ours. It is too late; the time has passed. The afternoon of life does not fulfill the promise of the morning. Is this the way it should be? Did God plan this? Did He decide that man's life should begin with great expectations and close with disappointment?

For ages the philosophers have discussed, argued, and speculated on that illusive thing called happiness. We are not so foolish as to attempt either a definition or a rule for its attainment. It should not take a very clever person, however, to see that many of our disappointments are due to some form of economic ills from which, just now, we are suffering rather acutely. That is, we might have done this or that, or received training for such-and-such work if we had been financially able. Many of our troubles, from thwarted careers to family squabbles are due to the limited means of ourselves or others.

To remove these economic ills; to give every man the opportunity to exercise his talents to the best of his ability—this is of primary importance. Not to gain this economic freedom for ourselves, but to clear the trail for those who come after, that must be the objective of this and, perhaps, of many generations to come. We must learn that a state of peace and prosperity is the natural order of living and that it is obtainable by making some very simple adjustments in our tax laws.

To blame the "crooked politicians" or the graft-grabbing public officials for our economic

distress, is to offer an easy and childish alibi. We, as individuals, are responsible for our government. As long as we think of political economy as a dull subject that has no business outside of the school room, we are not likely to have a very clear idea of what kind of men should be elected to office, or what they should do when they get there.

Political economy is the science of the production and distribution of wealth. Is there anyone who is not vitally interested in food, clothing, shelter? Man is a social animal, and it is just as important that he develop a social conscience as that he had an individual one. He must have two interests in life, both based on the natural law of self-preservation. In the first place, he must do those things that will preserve himself and those who have a claim on his care and affection. In the second place, he must assume his share of the responsibility for the welfare of the social group as a whole.

It is not enough for the individual to go quietly and industriously about his own business, establishing a living for his immediate family, supporting the church for the spiritual good of his community, and joining the chamber of commerce to aid its material development. Some of our "best citizens" are more of a liability than an asset.

Three weeks ago a charming young lady came to our door with a petition demanding that the tax rate be permanently limited to a certain per cent of assessed valuation. She approached the subject with the question: "Would you like to have your taxes reduced?" As long as our interest in the tax question centers around our own tax bill and we think that the salvation of humanity rests on the reduction of these bills, we might as well throw up our hands and let this civilization take its place with Nineveh and Tyre.

We *must* learn to consider any adjustment in our tax laws in the light of their effect on the whole social group. Three of our neighbors are out of employment and are receiving food from the county. No one has yet asked us if we would approve a change in the tax laws that

would relieve this situation. The dear woman next door spends the shining hours cleaning up other people's dirt. She is deserving of far better things. We want some one to explain how a readjustment in our tax system will bring greater comfort and happiness into her life.

In other words, Jesus was right. When you study social problems, forget yourself and your own tax bills and debts and obligations. Ask yourself this question? "Will this proposed tax amendment tend to increase or decrease employment; will it gradually create an economic situation where labor receives all that it produces, where every man and woman can live in comfort and contentment without the fear of poverty?"

Our own welfare is so closely linked with that of our fellow men, that selfishness alone ought to prompt us in the way that we should go, but let us hope for higher, finer motives. There is no failure in life for the man who serves his fellow men. No matter how small the part he plays, it advances the human race that much on the road to a richer, fuller life. He need not, at close of day, review his own life and see it marked with thwarted ambitions and fruitless endeavors. If he has honestly and earnestly tried to bring about better economic conditions for his fellow men, if he has done his part to restore to mankind that freedom that is our birthright—that is the only goal a man need set himself, and there is no such thing as failure.

There are such men. If there were not, there would have been no progress since the world began. Of these was Stoughton Cooley—quiet and unassuming, placing the welfare of humanity above personal ambitions, spending the best years of his life in a cause that could not bear fruit during his lifetime. For nearly four years, Mr. Cooley has been unable to write for this paper which was founded under his guidance twelve years ago. We have kept his name on the masthead because of his years of faithful service, because the work that he was doing will go on forever. What he taught us, we must teach to others.

A great and gentle heart—an able thinker—though his name is being removed from the masthead, the wholesome, practical philosophy that was his; the kindly, friendly spirit that pervaded his writing will continue to be the guiding star of the present editor of this little paper. The world doesn't know it, and doesn't care, but it has lost a very great man.

FARM TAXES

Farm real estate values fell 37 per cent from 1929 to 1932, increasing the relation of taxes to land values by about 25 per cent. In relation to gross farm income, taxes almost doubled during the same period.—*Los Angeles Times*.

KIWANIS LOOKS AT LAND

Kirk Mitchell, chairman of the agricultural committee of the Michigan Kiwanis district, proposed at the Toronto convention that Michigan's "land use plan" be adopted by other states and Canada. According to studies and surveys, all lands may be classified into three groups: those which cannot be cultivated profitably; those of inadequate fertility; and those well suited to agriculture.

Mr. Mitchell urged that "that land which cannot be cultivated profitably be withdrawn from agriculture and used for reforestation and conservation. Lands of inadequate fertility should be taken from agriculture and used for playgrounds, recreational, and game propagation purposes. The best agricultural lands should be more closely surveyed with a view to using them most efficiently."

A land utilization program is urged to assist in the problem of unemployment. "Even if industry returns to 1929 peaks there will still be several million people out of work. I submit there is no place for these people other than transplanting at least the great majority of them back on the land."

Scientific studies, surveys, soil analyses are modern, efficient methods of determining the best use to which a piece of land shall be put, but scientific farming must go hand in hand with scientific taxation if we are to have the best results. The taxation of land values would make it unprofitable to hold farm land idle, or, in other words, to monopolize the best land and force men to become tenant farmers or owners of poor agricultural lands.

People do not choose a poor quality of anything because they really want it. There is no earthly reason why land that cannot be cultivated profitably should have been used for farm purposes. The need for acreage has not increased in proportion to the growth of population because improved farm methods have made it possible to grow more food in the same space.

If vacant urban land were released for use to permit the building of homes for thousands of homeless folk and for thousands of others who are poorly housed, there would be no need to transfer so many unemployed from city to country. Those who truly yearn for pastoral life could follow the plow and the grasshopper. Those who prefer closer communion with their fellows could nail on shingles, weave carpets or engage in the manufacture of any of the thousands of articles that would be in demand when the purchasing power of the country began to increase.

This interest in the use of farm lands is a step in the right direction, but it is even more necessary that the use of urban lands be given con-

sideration. Town lots that are vacant or decorated with shacks and obsolete buildings must be given attention. Those whose situation will warrant it should be brought into use by being improved with modern structures. The taxation of land values will solve this problem. Will the Kiwanis please consider the city lots as well as the farm acres.

KING COTTON

Our failure to handle the prohibition problem by legislating morals into the hearts of men or by enforcing laws not generally sanctioned by the public seems not to have discouraged the present administration. Now it is the Southern planter who tries to checkmate the brain trust by increasing crop production on the acres that he didn't plow under.

A large part of the money paid by the government to farmers in benefit payments to reduce cotton production was spent by the planters to buy fertilizer to increase their yield of cotton. In six states in the 6th federal reserve district "sales of fertilizer tax tags in the nine months ending last April 30 were 45 per cent greater than that part of the season the year before. In the cotton plow-under last year cotton raisers as a general rule turned under their skimpiest acres—one hears this everywhere in the cotton states." Alabama has bought 46 per cent more tags this year than last; Georgia 63 per cent; Louisiana 53 per cent; Mississippi 125 per cent.

The planter receives government rent for leaving two out of five of his cotton acres idle, usually the poorest land, but on the other hand, he is aiming to increase the poundage on the land he does plant. This calls for another movement on the part of the administration. These well-intentioned gentlemen supposed that a reduction in acreage would mean a reduction in cotton output. When they discovered that the planters were outwitting them by the use of fertilizer, Senator Bankhead introduced a bill providing a penalty for overproduction. If the use of fertilizer, intensive cultivation, and so forth, runs the yield above the allotment, the grower will have to pay a ginning tax on his excess yield. This tax is 50 per cent of the market price. "Many cotton authorities look for a possible era of cotton bootlegging. To enforce the tax, they argue, may require an army of bureaucrat agents, as in the effort to enforce the 18th amendment."

Too many moves of the New Deal have depended on altruism for their success, and human nature is not, generally speaking, very altruistic—if it were we should never have fallen into such straits.

PRIVILEGES AND PANICS

Dr. Frank A. Fetter, 71-year-old professor emeritus of Princeton University, addressed the graduating class of the University of Indiana. When Dr. Fetter entered that university in 1879, the country was just emerging from a severe industrial depression. Dr. Fetter believes that the country was better able to stand the shock of depression then than it is now.

"But even in 1879," said Dr. Fetter, "there were already signs on the business horizon of the forces of monopoly destined within a half century to overwhelm tens of thousands of small enterprises and reduce their owners to the status of wage employees of large corporations.

"Though in 1879 the depression had persisted six years, as compared with the last four years and a half, the actual degree of unemployment and distress was doubtless far less then than now. All business then was nearer the soil and industrial plants far more decentralized. The pyramid of industry had a broader base and a more stable equilibrium.

"As a consequence there were more opportunities for young folks to start for themselves in the professions or business with some chance of succeeding. The ratio of possible employers to each college graduate was far greater than now."

Forces of monopoly destined to overwhelm small enterprises—business was nearer the soil—the pyramid of industry had a broader base—more opportunities for young folks to start for themselves—the ratio of possible employees to each college graduate was far greater than now—these are significant thoughts. These graduates have as much right to earn an honest living as any that have ever left our schools. Who or what is standing in the way? Perhaps it is the greatest of all those monopolies that reared their ugly heads above the horizon when Dr. Fetter was young. Let us destroy land monopoly and see what effect that will have on the situation.

In Memoriam

STOUGHTON COOLEY

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ADAM'S CHILDREN

One of the arguments against war is the expense of the thing. The taxes necessary to pay the bills of munition manufacturers, and other profiteers, are not only burdensome for present generations, but they form a load that our children and our children's children must bear for years to come.

Many people feel that a similar burden is being prepared for the innocent shoulders of these children by the present administration when it cheerfully appropriates billions of dollars for relief funds. Let us assume that this is a correct view of the matter, that we do not want our children to suffer for our mistakes. Why is it that people cannot see and appreciate the enormous burden that is rolling up like a gigantic snowball in the form of rising land values?

Real estate is temporarily "down," but let the present administration, or the slower, surer course of nature, increase the purchasing power of the masses, and the price of land will steadily mount. As the speculators say, "Real estate will come back." Even now, people are being told that this is the time to invest in real estate. That means that you are to pay a comparatively low price for a parcel of land which you do not want to use, hold onto it for a few years and sell it at a profit to some one who does want to use it for home or business. This speculating in land is not expected to go on for two or three years and then stop. It is a continuous game. It is Monte Carlo with the lid off.

The surface of the earth is limited. Won't this continuous speculation in land push the price higher and higher? What are our children and our children's children going to do? How are they going to bear this enormous burden that bids fair to make our present war debts look like a ten-cent-store bargain? Is this fair to them? Haven't our children just as much right to use this beautiful earth as our ancestors had? They cannot live unless they do use it.

When the Colonists found the Atlantic seaboard becoming a bit crowded, they simply held an overflow meeting on the other side of the Alleghany Mountains. The only way the Colonists could assure themselves cheap labor was to

bind men legally for a term of years. Free land and cheap land beckoned men on across the continent to the Pacific Coast.

What now? Don't your children and your grandchildren deserve as much as these men had? Why are you so insistent that they pay higher and higher prices for the land on which to build their homes, on which to produce their food and clothing and every other article that they use?

In order that you may gamble in land; may reap where you did not sow; may consume what you did not produce, you want real estate to "come back." You want to buy and sell a thing called land value which does not belong to you, but to the community. You want your children to pay a higher price than you do for the opportunity to live on this old earth which belongs to them just as much as it does to you.

And you do this very terrible thing simply because you never thought of it in this light before. You love your children. You like all children, and you would not knowingly place this curse upon them. Surely, you cannot help seeing that your children are not to blame for being born three or four hundred years after some other children. Yet you want to impose on them the penalty of rising land values.

As more children come into the world, naturally there will be a greater and greater demand for land. There will also be a greater demand for government services. Collect this growing value to pay for the increasing amount of service. One keeps pace with the other. There should never be any trouble about balanced budgets, either local or national. If this were done, no further taxation would be needed.

Statisticians hold out some hope for our children. They believe that the peak of population will be reached in twenty-five or thirty years. When that happens, speculation in land will lose most of its charm. It will be too much like taking in each other's washing.

FREE AS AIR!

We have been familiar with land rentals for a long time. We may, in time, become accustomed to air rentals. A couple living near Burbank, California, own a tract of land adjoining the Burbank airport and have been disturbed by the arrival and departure of planes. "Damages of \$90,000 for loss of past rental profits and a future monthly rental of \$1500 for use of the air space over and above their property" have been asked in a suit in equity filed in the United States District Court against the Pacific Air Transport Corporation of Burbank.

After all, it is quite as reasonable to collect rentals for the use of the air as for the use of the land.