

# TAX FACTS

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## THE YOUNGER GENERATION

One radio program portraying American family life is dedicated to modern parents "and their bewildering off-spring." Off-spring always have been bewildering ever since Cain knocked out Abel, but the youth of today have almost started a panic by questioning the sacred principles of old line political parties, the opinions and declarations of the school masters, and the creeds of their elders in general.

This is natural. For years, Fourth of July orators and campaign speakers have painted in glowing terms the merits of their respective parties, but they couldn't make good. As long as there were jobs to be given out, the older generation could strut. There was no occasion for youth to question. Now it is different. Every June, thousands of students pass through the portals of their Alma Maters into a world that has nothing to offer them but a place in the bread line.

The schools have been gradually drifting away from the old rigid adherence to the classics and purely cultural training, and have given more and more attention to studies that would prepare the students for professions and for special lines of work in the business world. When the time comes to apply this knowledge, too often the student finds no opportunity to do so, and he wants to know why. The young people of today have felt the pinch of the depression, themselves, or they have been fully awake to the sufferings and privations of their neighbors.

After gobbling up, and allowing to be gobbled up, the rich natural resources of the country, the older generation stands aghast at the skeptical attitude of youth toward the old theories of government, theories of well-meaning and patriotic Republicans and Democrats, but, nevertheless, theories that have not been proven good and true. There can be no argument about that. Present economic confusion is obvious—and, appalling—and the tenacity with which these elders cling to their old ideas of "Americanism" is pathetic. Driven from one ambush to another, they are now seeking refuge behind a weak and crumbling bulwark, erected on the Constitution, itself. It is

their last stand, and some are beginning to realize it.

In speaking to the convention of young Democrats in Milwaukee, President Roosevelt said: "A man of my generation comes to the councils of the younger warriors in a very different spirit from that in which the older men addressed the youth of my time. Party or professional leaders who talked to us twenty-five or thirty years ago almost inevitably spoke in a mood of achievement and of exultation. They addressed us with the air of those who had won the secret of success for themselves and of permanence of achievement for their country for all generations to come. They assumed that there was a guarantee of final accomplishment for the people of this country and that the grim specter of insecurity and want among the great masses would never haunt this land of plenty as it had widely visited other portions of the world. And so the elders of that day used to tell us, in effect, that the job of youth was merely to copy them and thereby to preserve the great things they had won for us. . . . I did not know then of the lack of opportunity, the lack of education, the lack of many of the essential needs of civilization; that all these existed among millions of our people who lived not alone in the slums of the great cities and in the forgotten corners of rural America—existed even under the very noses of those who had the advantages and the power of government of those days."

Mr. Roosevelt adds that no man of his generation should address youth "unless he comes to that task not in a spirit of exultation, but in a spirit of humility." The President said—and how truly—that if those who brought this younger generation into the world had been "wiser and more provident and more unselfish" the young people of today would have been saved from "needless difficult problems and needless pain and suffering."

Wiser and more provident and more unselfish! Those of the older generation are very glib in speaking of what they have given to the youth of today, and strangely silent concerning what they

have taken away. "There was a time," said President Roosevelt, "when the formula for success was the simple admonition to have a stout heart and willing hands. A great, new country lay open. When life became hard in one place it was necessary only to move on to another. But circumstances have changed all that. Today we can no longer escape into virgin territory; we must master our environment."

In spite of the fact that droughts and floods and dust storms have well-nigh ruined many fertile acres, for which we have only ourselves to blame, there is still much good, unused farm land within the forty-eight states of our Union. As long as unused land was open to settlement, "a stout heart and willing hands" had some chance to establish a home and to produce, at least, the necessities of life. Even now, when some of this land has become untenable, there is still much good land lying idle, yet the government is as blind to it as if it did not exist. The administration could think of no better plan for "rural rehabilitation" than to send 200 families to Alaska.

Rex Beach, in a special article on the Matanuska Valley experiment, writes: "The project as originally contemplated involved a capital expenditure of about \$1,250,000, which was expected to cover everything." The building of the community center, alone, has cost nearly that much, and the figures are mounting. "Estimates of the total cost run as high as \$5,000,000, and the most optimistic forecast I have heard is that fifty families will stick and dig their toes in."

"In that event, those hardy frontier families will have cost us taxpayers \$100,000 apiece. . . ."

"If the projects cost only half what it promises to cost and if a hundred families remain, they will have to be carried on the books at \$25,000 each. That's a man-sized grubstake in any country." One can't help wondering what kind of crops could be raised in that land of short growing seasons that would pay for such an investment. One also wonders why none of the carping critics has the courage to suggest that in future we settle our modern pioneers, or rather allow them to settle themselves, on land here at home.

This sort of economic planning is what we may expect as long as we ignore the basic cause of our depression and the natural laws that govern the growth and development of countries and civilizations. It is getting us nowhere, except into debt, a debt that must be born by these same bewildering and bewildered off-spring.

Mr. Roosevelt said that when his elders were talking to his generation, he did not know of the poverty and suffering that "existed even under the very noses of those who had the advantages and the power of government of those days." Now we are more aware of each other. The

automobile has made travel possible for people on very modest means, and the radio has brought the world into our living-rooms. Unemployment has kept more young people in school, and has taught them to use the public libraries. The spirit of inquiry is abroad in the land. The youth of today and tomorrow and the day after tomorrow will keep right on embarrassing and bewildering their elders by asking questions, forsaking old standards and setting up opinions of their own. Banning "Reds" from campus and public square will not silence the younger generation, and the platitudes of their pompous elders will not answer their questions nor solve their problems.

However, speed is the watchword of the hour. Events move swiftly. Is it too much to hope that before these young and pliant minds grow "set" and irredeemable, like their admonishing elders, they will have caught the vision of a great truth—that the earth is their heritage, and that no man, be he Republican or Democrat, Communist or Fascist, can deprive them of their share or demand payment for their use of it? It is much to be regretted that the power of privilege has kept social science in the background when it is the most important of all the sciences. Perhaps youth will rescue it from the obscurity where it has languished for so many generations and give it the attention it deserves.

#### ON THE DOLE

A curious article appeared in the Sunday Magazine of the *Los Angeles Times* last month. Much has been said about the effect of the depression on the morale of men and women and young people of various classes. Starting off to work each morning becomes a habit with the bread-winner of the family when it is kept up regularly for a number of years, but it is astonishing how quickly habits are broken—if they are not bad ones.

The author of this article, "I Found Independence on the Dole," is a woman fifty years old. Needless to say, the article is unsigned. Briefly, it is the story of a woman and her husband who are receiving help from the Los Angeles County Welfare. They receive a utility check each month. "This pays the water, gas, electricity and incidentals. Our clothing is given us by the County Welfare; not the kind we would wear except around the house, but we can sell it to a second-hand man or trade it to a less prosperous neighbor, who has kept himself off the welfare, for something we can use. We get cash for our groceries. Once in a while they send us a so-called 'standard grocery package,' but it consists of staples so I tuck it away. It will always keep."

During the past three or four years, this woman has averaged \$12 a week by sewing, "and that's all for extras." While the taxpayers'

money provides a comfortable, if not luxurious, living, this couple spends vacations at San Francisco, at Catalina, at the San Diego Exposition.

The amazing thing about the story is the mental attitude of the woman in accepting this charity. She boasts of little deceptions played on the relief visitor. "I'm a pauper, a 'client' of the County Welfare and glad of it. I'm better off than I've ever been in all my life. I have what the millionaires do not have, 'social security,' and I would not trade places with any one of my acquaintances who boast of being independent! . . . We have learned since that the only truly independent people are the ones who are on relief. . . . I don't want to render anything to society. I'm taking care of Number One. . . . I tell you in all frankness, you will never know true economic security until you're an 'unemployable' under the friendly wing of the Los Angeles County Welfare."

It's very simple—just so we don't all become unemployables at one and the same time. Heaven knows, many deserving people are obliged to accept aid from friends or relatives or from organized public welfare, but it is not often that one thoroughly enjoys and boasts of it. Yet, the difficulty of obtaining employment has made it increasingly easy for men and women, both young and old, to slip into a habit of thought that is not very creditable to the human race. A touch of this feeling is behind the eagerness with which millions are clamoring for the \$200 a month pension. As one wag put it, their ambition in life is to rest, relax and receive.

No man owes another a living. We are all born with an inalienable right to earn our own living. The earth is the source of all wealth, and when it is monopolized, the disinherited must plead for a job or a hand-out.

### THE TAX LOAD

Contributing \$176,844,846 to the support of the Federal government during the last fiscal year, California residents and business firms carried a Federal tax burden during the twelve months ending June 30 which was 16 per cent heavier than the load during the preceding period, the Internal Revenue Bureau revealed today.

Processing taxes on agricultural products, imposed to raise funds for New Deal bounties to farmers, took \$3,669,714 from Southern California and \$16,159,176 from the northern half of the State. The largest individual A.A.A. levy in the Los Angeles district was on hogs, amounting to \$1,743,530, and the second largest, \$1,142,049, was on wheat.—*The Los Angeles Times*.

The Nationistic theory of some European governments is to promote increase in population to be slaughtered in a war of expansion to find room for the surplus population.—*Louisville Courier-Journal*.

### MR. BABSON ADVISES

When is a Red not a Red? Many well-meaning patriots have been greatly disturbed by the activities of foreign-born "agitators" who voice their disapproval of our government too strenuously. These are, almost without exception, men and women who have not found it easy to earn their daily bread. They have missed the finer things, even the comforts and pleasures, of life. They have a real grievance, even if they don't know what it is nor what to do about it.

But what are we going to do when a man like Roger Babson, who is supposed to be some kind of an expert and leading citizen, boldly issues a warning intended to defeat the purpose of legislation enacted by the government of the United States? While the "Soak-the-rich" tax bill was still being discussed in Congress, the certainty of its passage led Mr. Babson to rush a warning to the poor millionaires, advising them to do everything in their power to circumvent the law. Knowing that many of these gentlemen were not amateurs at the game, he probably considered a word to the wise sufficient.

"Do not delay a single day," Mr. Babson warned. "Never mind vacation plans or other business. Drop everything until you have studied your situation—and acted." His advice included such suggestions as these:

"Have a physical examination and get an estimate as to how many years you probably will live. The percentage you give away now should be inversely proportionate to your probable additional years.

"Select taxable interest- or dividend-paying securities so your family will save on *income* taxes as well as on *estate* and *inheritance* taxes. Hold your tax-exempts.

"Do not give away anything which you think will be selling for less when you die. To pay gift taxes now on "dead horses" is the height of foolishness." And more to the same effect.

We are not in favor of the bill, either. In fact our life is dedicated to the work of telling humanity that all taxes, except one tax on land values, are unjust and unreasonable and are responsible for our economic downfall, but—pink paralysis, we never advised our readers not to pay their taxes!

As we understand Representative Dies, there is no room in this country for aliens who think our system is as rotten as the Republican orators say it is.—*Norfolk Virginian-Pilot*.

Congress might some day try watching a lobby in action instead of investigating it after it has acted.—*Wichita Eagle*.

In an Indian election, it is stated, only 300 voted out of a population of 6000. Gradually, the redskins are learning the white man's ways.—*Sudbury (Eng.) Star*.

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## THE POTATO REVOLT

Tyranny begets subterfuge. Falsehood, deception, circumvention of the law, these things always develop among an oppressed people. Our ideas of justice may be strangely distorted, but they are ours. Once, we were pressed down so hard that when we bobbed up, we threw the king's men clear across the sea. We resent the interference of government while quietly submitting to the oppression of privilege merely because the former is not only obvious, but publicized, and the latter is so carefully concealed that many are not yet aware of it. Nevertheless, it is the tyranny of privilege that stands between us and the freedom we sing about; it is private monopoly that has robbed us of our opportunities and caused government to step in with mistaken kindness and add to the confusion.

Why mankind, that so loves ease, should take the hardest trail in seeking the answer to its social problems, is one of the mysteries of life. It may not be an accident that truth and simplicity go hand-in-hand, that the right way is invariably the most direct. Perhaps this is a part of the Eternal Plan and we would do well to turn back to first principles in our study of social relations.

Certainly, simplicity is not an attribute of present governmental activities. Much, if not all, of the trouble comes from looking at this, that and the other knotty problem and never seeing the picture as a whole. In attempting to help one group, the administration has limited production and levied taxes on burdened industry in order to pay farmers and stockmen for not raising food-stuffs that are badly needed. Law suits, housewife rebellions and now a threatened Potato Revolt are among the expressions of dissatisfaction resulting from government control. The "Potato Control Law" will go into effect December 1.

In New Jersey, thirty-five citizens, including Carl W. Ackerman, Dean of the School of Journalism at Columbia University, drew up and signed a resolution which was sent to President Roosevelt. "We will not be bound by the 'Potato Control Law,' . . . We shall produce on our own land such potatoes as we may wish to produce and will dispose of them in such manner as we may deem proper." There is "Americanism" for you if you want some! Most of these men

own farms that have been in their families for generations. They have not asked for outside aid during the depression, and they are proud of it.

Dean Ackerman, writing to the Literary Digest, says: "None of them benefited at any time by any of the 'farm relief' measures passed by Congress during the past few years. They did not complain. They are all small farmers. But when this new bill was passed, although the community is not a potato-growing one, they felt it was the last straw, because it prohibits their inalienable right to live their own independent lives as free American citizens.

"My neighbors in New Jersey are thoroughly serious about this protest. They mean it. Potatoes are a part of their lives, a large item in their daily diet. What they grow over and above their actual needs they use for barter. Five bushels are insufficient for their own families. Little has been left these farmers since the depression but their independence. The new law kills that. Many may be compelled to ask 'relief aid.'"

The new law provides that any one growing more than five bushels of potatoes be allotted a quota, which quota he must not exceed on pain of being taxed forty-five cents for every bushel over the prescribed amount. Also he must market his potatoes in special closed containers, specially marked and specially stamp-taxed.

This artificial regulation of industry is a little like telling a falsehood. In the gentle art of falsifying, the first declaration requires so many subsequent statements to bolster it up—all of them equally untrue. The administration got off to a bad start when it began tinkering with the top of the economic structure by trying to limit production and control wages and prices. Every false move is followed by several more mistakes as the government tries vainly to counteract the ill-effects of the original error.

We must have a demand for labor, not a demand for jobs. Competition for jobs lowers wages, in spite of government or union regulations; competition for labor raises wages. Don't start looking for a frontier in Matanuska, look for it on Main Street. Is there a Main Street in America that is not spotted with unsightly, antiquated buildings? See that the owners of these city lots improve them or release them to others who will. Clearing the lots and erecting modern, fireproof buildings will mean jobs for labor, increased sales for building material companies and improved quarters for business. All this means more wages and greater demand for goods.

Attempted regulation of production by government will mean injustice to some groups and doubtful benefit to others. It will mean deception and law breaking, tax dodgers and spud-runners. It's no use trying to beat nature at her own game. It can't be done.