

# TAX FACTS

Published in  
the interest of

SOUND ECONOMICS  
and

AMERICAN IDEALS

Vol. XII

Los Angeles, California, June, 1933

No. 2

## INDEPENDENCE DAY

Looking back across the generations, it is curious to see how many and how varied have been man's struggles for freedom, how easily he has relinquished his most obvious rights, how confused has been his sense of justice and how persistently he has ignored the basis of all liberty which, if once won, would have opened all the doors to freedom and independence.

Perhaps the keynote to our failure in this age-old struggle is the limited view we have of liberty, the selfishness with which we have confined our efforts to obtaining freedom for our own group or nation or race with no thought for the rest of humanity. When people fight for "their rights" and at the same time deny equal rights to others, it is a pretty good sign that they are merely interested in gaining some personal advantage for themselves and have little interest in liberty as the birthright of all people regardless of color or race or creed.

Our own history furnishes us with a case in point, and the coming national holiday brings it to our attention at this time. The English have not been slow to criticise the Thirteen Colonies for their inconsistency in proclaiming the doctrines of the rights of man while maintaining the institution of slavery. It seems very strange to us now that there were half a million black slaves in the colonies at the very moment that Patrick Henry cried "Give me liberty, or give me death!"

Dr. J. Franklin Jameson, Director of the Department of Historical Research in the Carnegie Institution of Washington, wrote an interesting book a few years ago, "The American Revolution Considered as a Social Movement." If more history had been written as sociology rather than as political and military chronicles, it would have served as a far better guide to individuals and nations. If we could view the mistakes of our economic life by the light of history, we might see our problems more clearly and find the answers more readily.

In comparing the French and American Revolutions, Dr. Jameson says that the aims of our people were distinctly political, not social. "They

fought for their own concrete rights as Englishmen, not for the abstract rights of man, nor for liberty, equality and fraternity. The French rose in revolt against both a vicious political system and a vicious social system. With enthusiastic ardor they proceeded to sweep away abuses of all sorts, and to create, not simply a new government, but a new France and indeed, to their own imaginations, a new heaven and a new earth."

However, Dr. Jameson points out that the first anti-slavery society in any country was formed in Philadelphia just five days before the battle of Lexington. There is much evidence that the feeling against slavery was growing during the Revolution. To illustrate this, Dr. Jameson quotes from a letter written by Patrick Henry. "Is it not amazing that at a time, when the rights of humanity are defined and understood with precision, in a country above all others fond of liberty, that in such an age and in such a country we find men professing a religion the most humane, mild, gentle and generous, adopting a principle as repugnant to humanity as it is inconsistent with the Bible and destructive to liberty? . . . Would anyone believe I am the master of slaves of my own purchase! I am drawn along by the general inconvenience of living here without them. I will not, I can not justify it. . . It is a debt we owe to the purity of our religion, to show that it is at variance with that law which warrants slavery."

Our greatest American naval hero, John Paul Jones, was engaged in the slave trade for about two years early in his career, but, according to his relatives, "he quitted this abominable trade in disgust at its enormities." Phillips Russell, who records this, says: "This may be correct; for John Paul was easily affected by the sight of suffering or oppression. On the other hand, the slave trade was, in that day, entirely respectable, especially in New England, where it built many tidy homes, supported pulpits, and paid for decorous comforts unknown before. It was not until slavery was suspected of being unprofitable in comparison with "free labor" that it began to be preached against."

And when, pray, did slavery become unprofitable compared with free labor? When so much of our land had passed into the hands of private owners that a man could not find good free or cheap land on which to work for himself and was forced into the labor market where the keen competition for jobs beat down wages and standards of living. It is far more economical for the employer to engage "free" men at starvation wages for the duration of a given job than to undergo the expense and inconvenience of maintaining an establishment of chattel slaves.

"Land is necessary to all production," says Henry George, "no matter what be its kind or form; land is the standing-place, the workshop, the store-house of labor; it is to the human being the only means by which he can obtain access to the material universe or utilize its powers. Without land man cannot exist. To whom the ownership of land is given, to him is given the virtual ownership of the men who must live upon it. When this necessity is absolute, then does he necessarily become their absolute master." The advantage of a system that forces men to accept any job they can get at any wage is obvious. "For under it the slave does not have to be caught and held," says Henry George, "or to be fed when not needed. He comes of himself, begging the privilege of serving, and when no longer wanted can be discharged. The lash is unnecessary; hunger is as efficacious. This is why the Norman conquerors of England and the English conquerors of Ireland did not divide up the people, but divided the land. This is why European slave-ships took their cargoes to the New World, not to Europe."

After the Colonies gained their freedom, nearly a hundred years passed before the black man slipped the bonds of chattel slavery. Another war had to be fought, more blood had to be shed, more bitterness and hatred engendered before this could be accomplished—and how far have we run in the pursuit of happiness? Both the white man with his political freedom and the black man with his personal liberty find it very difficult to make a living. We have one more great struggle before us. Heaven help us to carry through without the bloodshed and chaos of another revolution, but we must establish economic freedom before we can enjoy true political or personal liberty. We must abolish industrial slavery as surely as we abolished chattel slavery.

This month a legislative committee has been investigating sweatshop conditions in Philadelphia—not Mother India, but the very city that gave birth to the first anti-slavery society! We quote from *Labor*, Washington, D.C. "With faces as impassive as graven images they listened to harrowing stories of starvation wages, insupportable working conditions, long hours and other conditions that destroy the bodies of workers.

But when girls of 16, 17 and 18 years of age swore that they were being forced to sacrifice their souls as well as their bodies it was too much. The committee exploded in a blast of indignation that gave heart to welfare and social workers who have been hoping for an honest inquiry."

As long as men and women and little children, millions of them, are forced to perform drudgery, oftentimes degrading toil, for a mere pittance; as long as one man must beg another for a job, we have not freed labor. William Green and the Federation of Labor are insisting that the government at Washington pass certain laws regulating wages and working hours.

Appealing to a paternal government to fix, arbitrarily, the conditions of labor, does not touch the root of the matter. A man must be free to employ himself, to go onto the land if he wants to, and build his little shack and hoe his own potato patch—more poetically described as sitting under his own vine and fig tree. He need not then work for any man for any wage nor under any conditions that do not suit him. Then his wife and daughters will not need to sell themselves body and soul to the owners of sweatshops. Then he will not have to give up a portion of his earnings to the owners of the earth for the privilege of a bare and unlovely existence. Then, indeed, labor may look up to heaven and say: "We are free!"

During the depression—for it is not in time of prosperity that people question their institutions—we have been asking ourselves and each other: "Is democracy a failure?" Dr. Jameson, in his book on the Revolution makes an interesting suggestion. "The doctrine which underlies the present lecture is that political democracy came to the United States as a result of economic democracy, that this nation came to be marked by political institutions of a democratic type because it had, still earlier, come to be characterized in its economic life by democratic arrangements and practices. America stood committed to economic democracy, which meant, in a country so occupied with agriculture, to the system of land holding which the classical economists called "peasant proprietorship," the system of small holdings where landowner, capitalist or farmer, and laborer are all one, the owner of the land supplying the capital and working the fields with his own labor and that of his family."

If this be true, that free access to the land made it possible for early Americans to work their own fields whenever the labor market threatened to become over-crowded, and so maintain a certain economic independence, and if this condition in turn gave rise to our democratic form of government, one way to find out whether democracy can be successful or not would be to assure to every man of today the access to land that was enjoyed by the colonists.

The right to the use of the earth is the birth-right of all mankind. Struggle to establish that right for yourself, for neighboring countries, for any people of any race or nation in the world, and you will be working for true liberty based on justice which infringes on no man's rights. It can girdle the earth and bring peace and prosperity and happiness to the starving hordes of China, the Untouchables of India, the miserable inhabitants of the slums of London—the factory girls of Philadelphia. God did not create this beautiful earth for a few men and women to gobble up selfishly and sell or rent bit by bit to others as if they had made it themselves. He made it for every baby born into the world, and when we recognize that fact, we may truthfully say that at last we have set foot on the road to that freedom which has eluded us for so many centuries. Then we may celebrate a new and a better Independence Day.

### THE BLOW-FLY

"The blow-fly pest," says *The Commonwealth of New Zealand*, "is one of the most serious in Australia. It is said that it causes stock losses amounting to £10,000,000 a year." The government has been investigating the matter and has compiled considerable material on the habits of blow-flies, but not much has been done toward combating the evil. A private enterprise, however, has "devised a fly-trap which is said to be 100 per cent efficient. On account of its value in dealing with the pest it was exempted from sales tax. A single trap in a few weeks will destroy millions of flies. . . . Now the taxation fiends have made the discovery that this fly-trap will also catch house flies, so they have decided that it was liable to sales tax. If the machine could discriminate between blow-flies and house flies it would be exempt. But as it will catch blow-flies, house flies, fruit flies, etc., it is taxable. The inventor is now wrestling with the problem of trying to convince the authorities that all flies come from maggots."

No doubt it would be just as easy to teach the fly-trap to discriminate between blow-flies and house flies as it would be to teach the public to discriminate between labor products and land values for purposes of taxation. Why tax any kind of fly-trap? Aren't fly-traps good things, better than flies? Then, why not have as many of them as possible and not hamper their production and sale by imposing a sales tax.

Humanity has wished on itself so many unnecessary problems by instituting this illogical and unjust system that levies taxes according to the ability to pay. Mr. Hopkins, Assessor of Los Angeles County, wants to do his part to help the earthquake sufferers. Buildings and homes, according to the present law, must be taxed according to their assessed value on the 6th of March. Four days after this date, the earthquake

inconsiderately wrecked some of these buildings, wholly or in part. It does seem like rubbing it in to collect a tax for a house that has been shaken down about the owner's ears. Mr. Hopkins is asking for some kind of legislative action that will relieve these people. But why was a tax ever put on their buildings? This problem need never have presented itself. If nothing had been taxed in this stricken area except the value of the land, taxes would have been reduced without any legislative action. How much land values have been affected perhaps no one can say definitely, but like the buildings, they were shaken down, not blown up, by the earthquake.

Labor products are things that are made by human labor, and certainly men would not make them unless the things were wanted. We are not in any way responsible for the existence of the land. Nobody asked us whether we wanted it or not, and it is only our presence here and the necessity of using it that gives it value. But houses and fly-traps come into existence only when men work and make them. Surely men ought not to be further penalized by being taxed for the possession of these things.

### A SIX YEAR PLAN

While not advocating any movement of a radical or Communistic nature, Gen. Plutarco Elias Calles, former President of Mexico, has outlined a plan for building up the country and "overcoming the broken equation of unemployed men and unemployed natural resources." Calles has outlined a six-year plan along socialistic principles. The state would manufacture agricultural implements and cement, produce selected seed for free distribution and would also undertake state exploitation of forests.

"Our national reality," Calles states, "is very sad for the laboring classes, who face unjust salaries and most miserable exploitation. This can be remedied by the state taking over enterprises directly and socializing them, encouraging production without profit to serve true collective justice."

With Mexico taking ladylike little nibbles at socialism and Russia making one huge bite of it, we ought to find out pretty soon whether it will work or not. At any rate, to try it out is the only way to dispose of it.

A tariff truce is all right, but don't forget that our infant industries are now asking for an old-age pension.—*Arizona Beacon (Phoenix)*.

Technocracy now seems just some more water that has gone under the bridge, but it can be said it made the trip faster than almost anything else on record.—*Nashville Tennessean*.

"Should young men be taught housekeeping?" asks a writer. It seems a good idea. The young women might then think it manly to imitate them.—*Punch (London)*.