

"The Mess and the Gyp" in Nebraska

by ADA E. SHAFER

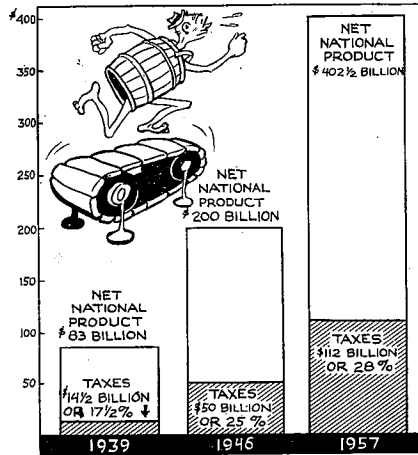
NEBRASKA, and especially Douglas County, in which the state's largest city, Omaha, is situated, feel the increasing bite of rising taxes, as do all other states and counties—although Nebraska is one of the few fortunate states that does not yet have a general sales tax nor a state income tax. Forces for these taxes are organized and insistent, but the voters are as set against such "added" taxes as before.

The last upheaval in '54 was reported in HGN, and resulted in several amendments being placed on the ballot. Only one passed which required the abolition of the "property tax" if a sales or income tax were levied. This now gets in the way every time attempts are made to do anything about taxes. It is ambiguous and confusing, and has no place in a state constitution, for tax laws are the responsibility of the legislature, not the constitution. We urged the Omaha representatives to separate site and other property values, but got nowhere.

This year another "tax investigation" was conducted by the legislature. One or two bills were passed tightening up the property tax laws and giving the assessors more power to find untaxed personal property. One bill is to force the reporting of shareholders and stockholders by managing officers. This law, now in the courts, is truly revealing of the iniquity of the property tax.

The League of Women Voters here made a study of the tax laws last year, and reported that they *could not find a better way to do it*. Nor can anyone, until they lay hold of a few principles, such as the one that the

Taxes Reach New High



Taxes took about 28 percent of 1957's net national product compared with 17½ percent of a 1939 net national product which was only about one fifth as large. The chart is based on one of the tables in Tax Foundation's new, 10th edition of *Facts and Figures on Government Finance, 1953-59*.

producer has a right to his whole product—and that the government should charge full price for the privilege it usually hands out as outright gifts or at nominal prices. The airways, mineral wealth, and the land itself are prime examples.

Nebraska still includes land values in her "property tax" as "real estate"—this holds the line partially against wild land speculation, for which we are thankful. Also the city planning department, showing signs of willingness to seek justice, attempted to permit tax exemptions on new housing. We hope that before a sales tax or a state income tax is forced down our throats, enough Nebraskans will see with Henry George, that "in the natural growth of the social organism"

there is a fund, sufficient for all material wants of society, which may be taken "without depriving the unit of anything rightfully his," and which must be taken to prevent injuries to individuals and disasters to the state.

Ada E. Shafer of Omaha, suffers from poor eyesight but she writes good letters—and she sends these out to all "VIPs" not only in Nebraska but in Washington—she also sends copies of HGN to local leaders. She has placed

five copies of Judge Fuchs' book *Constructive Taxation for Free Enterprise* in the city hall, along with other literature. The Mayor has a copy of Gilbert Tucker's *The Self-Supporting City* and the booklet containing the Jamaica story, thanks to Mrs. Shafer. Sidney Evans of San Diego made a contribution toward this book-buying program but so thorough has been her coverage that she has exhausted her postage fund. Despite her noble age, Mrs. Shafer's work and enthusiasm continue unabated.

SEPARATE TAX RATES REQUESTED FOR CANADIAN CITY

Dorval, a city of about 15,000, in Quebec, is seeking authority to introduce a new tax plan to encourage development of vacant land. The new system was suggested to the Mayor, John Pratt, by a reading of H. Bronson Cowan's recent study on Australia and New Zealand,* and it resembles systems now in use in those countries as well as in Regina, a city in Western Canada, and certain cities in Pennsylvania.

Under the proposed system separate tax rates would apply for buildings and for land, and officials believe that land costs will tend to be lower than in neighboring towns with the result that home owners will be encouraged to make improvements. Land values will rise, they say, because of encouragement to improve properties which will be reflected in higher tax receipts from vacant land.

* Municipal Improvement and Finance, Robert Schalkenbach Foundation, N.Y., \$3.

TEAMWORK MAKES THE DIFFERENCE

It is always a pleasure at this time of the year to salute that foremost of incentive industries, The Lincoln Electric Company of Cleveland. The 1,371 employees found \$6,438,167 in their Christmas stockings, representing the annual bonus, each check determined by an individual merit rating of performance on the job during the year. After two years' service employees are guaranteed continuous employment, thus insuring against lay-offs. Needless to say, pleasant labor relations prevail at Lincoln. The company recently purchased a million dollars in retirement annuities covering each employee.

The welding machines and electrodes manufactured by Lincoln Electric are sold at prices no higher, and in some cases lower, than those of 1934 when the incentive program began.

James F. Lincoln, the industrialist *unique* who master-minded this company is now chairman of the board. In describing his company's incentive system at the invitation of The Christian Science Monitor last May he pointed out that the greatest need of the hourly worker is the assurance of continuous employment. In the Soviet Union, he pointed out, the fear of losing one's job has been eliminated entirely. "The Soviets also reward very handsomely the outstanding operator's ability," he said.

Proper distribution of industry profits he also deemed imperative, and finally, the rewarding of all employees, from top to bottom, in proportion to their contribution to the success of the company. "We can outdistance any dictatorship if we will but capitalize the advantages our freedom gives us," Mr. Lincoln affirmed. "That is the challenge to our industrial leadership."