

Indians bearing gifts. Rumor now has it that though speculators cannot take advantage of factories that wish to locate in the original few thousand acres that are subject to this provision, the limitation of price does not apply to the many thousands of surrounding acres. If anybody connected with the \$50,000,000 revolving fund subscribed by public spirited citizens should have a financial interest in these surrounding acres, it would be most unfortunate. For a man to consciously take such an advantage of his fellows would indicate a callousness worse than that of banditry; and to do it unconsciously would mark a stupidity almost unbelievable.

If these public spirited citizens who are doing so much to make known the commercial advantages of Los Angeles to the rest of the country expect to maintain a reputation for sanity they must find a way to keep the speculators in factory sites from neutralizing those advantages by advancing the price. Speculation in the central factory sites has already driven prospective manufacturers to consider San Fernando Valley. And the same cause will in a few years drive them to seek sites still more remote.

Would it not be more consistent with common sense and simple justice to exempt the factories from taxation, and to make up the loss of revenue by increasing the tax on the sites whose advance in value has been caused by the factories?

### LO, THE POOR FARMER!

During the last three years, according to a recent report of the Department of Agriculture, 108,000 owners and tenant farmers lost their farms through foreclosure and tax sales. More than 122,000 lost their property without legal proceedings, and 373,000 retained their property only through leniency of creditors. Of 95,000 farm owners and tenants in the fifteen leading corn and wheat producing States of the Northwest 9,700 have lost their farms during that time, 4,700 through foreclosure and tax sales, and 5,000 without the formalities of legal procedure, while 15,900 have held on through the tolerance of creditors.

No wonder, the farm bloc. No wonder the exodus from farm to city at the rate of a million a year. No wonder the country is finally awakening to a tragic situation. Congress, the press, chambers of commerce, universities, and thinking people generally are considering ways and means of saving the farmer. If ever a victim of untoward

circumstances needed saving, it is this same farmer.

Congress is seriously considering the McNary-Haugen bill, which aims to raise farm prices by means of government purchase. The institute for Research in Land Economics and Public Utilities is earnestly assailing the problem, while a thousand and one proposals are made by individuals and organizations. But it may be seriously questioned if these persons are not mainly concerned with symptoms, rather than with the disease.

Dr. Richard T. Ely, of Madison University, and director of the Institute, declares that taxes on farm lands are rapidly approximating the annual value of the lands. And he points to the figures collected by the Bureau of Agricultural economics as showing "that if the present tax tendencies continue the time will come when the whole annual net returns of America's farm lands will be absorbed in tax payments."

Dr. Ely favors a greater use of the indirect tax, and suggests some form of the sales tax that the consumer can pay in small amounts without feeling the burden.

With all due respect for the wisdom of Congress and the learning of the universities it may be questioned whether either of them is approaching the farmer's problem from the right angle. They appear to have confused their ideas by thinking of the farmer solely as a producer, instead of as a producer and a consumer. As a producer the farmer receives a price for his products, and pays a tax on his farm. What is left is not sufficient return for his labor. Congress says: Raise the price of his products. Dr. Ely says: Take the tax off his land.

But this is treating only half the problem. The farmer is not alone a producer. He is a consumer as well. And he is interested as much in what he buys as in what he sells. If Congress raises the price of wheat out of money gathered by taxation, that increase will ultimately find its way into higher prices for what the farmer buys.

The fact is that the farmer, like all self-supporting persons, is both a producer and a consumer. That is, the farmer and the city man, in their economic relation to each other, are like the primitive frontiersmen, both employed and employer. The farmer, instead of raising food and making clothing, gives all his attention to producing food, and the city man to making clothing. Each is interested, therefore, as much in the price the other charges as in what he gets.

Under free conditions this relation of prices would regulate itself. If there were a scarcity of clothing, and too much food, some farmers would go to the city. If too much city products, and too little food, city workers would move to the farm, until the balance was restored. This is what is now taking place. The farmer's dollar is estimated to be worth only 75 cents as compared with the pre-war dollar, while the city man's dollar is worth \$1.26.

The question naturally arises, why has not the dollar of each gone up and down together? Have they not had the same laws, the same protective tariff, the same system of taxation? The answer is that as the farmer sells a large part of his products abroad the price is fixed in foreign markets, which prevents him from adding his taxes to the price of what he sells to the city man. While the manufacturer is able, because of the tariff on imports, to add his taxes to what he sells the farmer. Thus the farmer is paying his own taxes and the city man's too.

Need one be surprised that the farmers are losing their farms and becoming tenants, or moving to the city? And should one expect to see justice restored between city and country by the McNary-Haugen bill, or anything that Congress is proposing today, or by anything that the universities offer? The farmer is being taxed to death, as Dr. Ely says; but will it do him any good to take some of the tax off his land and put it on the goods he must buy?

The only permanent relief for the farmer is to remove all taxes from production, and lay them on land values, for land values are mainly in cities, and taxes on land values cannot be added to the price of the product. The drain of land values upon industry, both city and country, goes on whether those values be taxed or not. If to this burden be added heavy taxes on production the drain is doubled. Production on the farm was the first to feel the pinch, but the factory is not far behind, for all forms of production must ultimately rise and fall together, and the working farmer and the city worker must finally share the same fate. It is only by relieving both that either can escape. And that escape is possible solely by transferring taxes as rapidly as may be without shock, from industry to land values.

Convictions are the things a candidate has after he discovers how the voters feel on the subject.—*Key West (Fla.) Citizen.*

## WHY THE TARIFF, THEN?

While we think the English very foolish, we will be quite able to stand their Free-Trade in articles which we wish to sell to them. They place automobiles on the Free List, giving our manufacturers a chance to flood their market with "made in U. S. A." We can endure that. We have the finest automobiles in the world and we manufacture more by far than all of the rest of the world put together, thanks to an adequate Protective Tariff. If the British will not learn, then they alone must suffer.—*The American Economist.*

## TAKING UP THE SLACK

If the City of Long Beach is getting a revenue of \$6000 a day from its municipal oil wells, as recently reported, it will soon see the effect in lower municipal taxes. And then all the world will have an object lesson in the manner in which every social or material advantage is speedily absorbed by land values. Taxes will be low in Long Beach, and because of that very fact land values will be high, and rents will be high. All that is saved in taxes will go into rents.—*Holly Leaves, Hollywood, Calif.*

## NOTES

Looking at it from another angle, mud thrown is ground lost.—*Detroit News.*

Some frivolous citizen suggests Houdini for a cabinet position.—*Tacoma Ledger.*

There should be, to encourage land settlement, a higher rate of taxation on large tracts of undeveloped land, than on small, productive farms. At present the opposite is the rule.—*Dr. Harry Ellington Brook, Los Angeles Times.*

New York talks of tearing down the Sixth Avenue Elevated railroad and replacing it with a subway, to be paid for by assessing abutting and nearby lands for ten years. A large number of Sixth Avenue property holders favor the levy. They figure that the change would increase property values more than the work costs.

Wealth accruing to the holders through monopoly values or special privileges or through large opportunities for costly saving, is not earned. Wealth created by society should be devoted to the development of all the people in ways to be determined by the people themselves.—*Methodist General Conference Committee on the State of the Church.*

If this tendency of young men to leave the farm goes on, in another decade the Mississippi valley will be dotted with abandoned farms because no one can be found to till them. The historian of Rome tells us the decadence of that great empire began with the desertion of the farm for the superior attractions and ease of living in the city.—*Ex-Governor Frank O. Lowden, Illinois.*

When the owning farmer dies the value of the lands he has owned sends his children to town, in part, or on the other hand plunges them into debt. One will buy the farm and be submerged in debt, and the others move to town and are lost to farming. Or they will all refuse to take on the burden of the farm, and the land will be added to some landlord's necklace of farms.—*Herbert Quick, in The Real Trouble With Farmers.*

# TAX FACTS

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## SAVE THE TREES

The time is rapidly passing when lawmakers in need of revenue can lay arbitrary taxes on the people, and have no questions asked. Taxpayers are finding that there are taxes and taxes. A goodly number of them have discovered that some taxes are paid by the person taxed, while other taxes, though just as legal, are shifted to the consumer. There are taxes that have the effect of promoting industry, and upbuilding the community. There are other taxes that beget speculation, and strangle industry. When a lawmaker, therefore, proposes a new tax measure it is in order to inquire into its ultimate effect.

One of the latest agencies to resort to taxation as a means of attaining its objective is the American Reforestation Association. This worthy-purposed organization, whose headquarters are in Los Angeles, proposes as a means of promoting tree-planting, that "each State shall pass a law exempting from taxation all land devoted to reforestation." Indiana has such a law, we are told, which in the two years of its operation, has already brought 3,500 acres under forest culture.

This proposal contains the germ of a fine idea, but like many other good things it is fraught with evil if not properly handled. The modern economists recognize that the removal of taxes from man-made things tends to increase the quantity of those things. Whereas, the removal of taxes from natural things, such as land, does not change the quantity. On the contrary, taking the tax off of land decreases the available quantity by enabling speculators more easily to withdraw their holdings from the market, while awaiting a higher price.

That the removal of taxes from houses tends to increase their number has been demonstrated in New York City, where new dwellings have been exempted for ten years, and in Pittsburgh, where taxes on improvements have been reduced one-half. The

same result has followed where enterprising cities have exempted factories from taxation for a period of years. And there is no reason to believe that the same result would not follow the exemption of trees.

To exempt both the land and the trees from taxation as proposed by the American Reforestation Association, would undoubtedly produce trees, but it would also produce something not at all desirable—land speculation. A vast quantity of valuable land is now held out of use by speculators who are willing to pay present taxes for the sake of getting the increase that comes from the growth of the community. To exempt this land entirely from taxation for twenty or thirty years while a tree crop is maturing would ease the burden of the speculator, and cause him to raise his price still higher. If the speculator under present conditions will gamble on the chance that unimproved land will increase in value faster than taxes and interest accumulate, how much more inviting will be the game if the taxes be remitted.

To avoid this evil effect practical lumbermen have proposed the taxing of the land, but the exemption of the trees. Speaking to this point the Cloverland Magazine says:

Taxation of standing timber has been and is now responsible for cutting large tracts of timber in certain districts instead of conserving it. Under the proposed system of taxation on the land value basis all standing timber comes under the category of "improvements" and is not subject to taxation, the tax levy being upon the land value only. This is a system of taxation that is strongly advocated by a large number of lumber companies and leading economists and is favored by the National Forestry Association.

One of the largest landholders in Cloverdale (Mich.) territory is quoted as saying:

When they won't tax us to death we will gladly reforest. Taxation is all that stands in the way of reforestation.

The original forest lands of the country, according to a statement of the Department of Agriculture, amounted to 822,000,000 acres. Today the forest area is only 470,000,000 acres. Consumption and fires take 23 billion feet a year. Only six billion feet are grown. Were the 470,000,000 acres properly handled they would produce 27 billion feet.

It is well that such organizations as the American Reforestation Association should take up this subject. And having come so near to the controlling factor in tree cropping, it is to be hoped they will exercise such care in drawing their bill that we shall get the desired forests, without the attendant evils incident to land speculation.

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## Married Women in Industry

Two million married women, according to the United States Census reports, are gainfully employed in this country. The number is rapidly increasing. In 1890, less than five in every hundred of married women were gainfully employed. In 1920, the proportion was nine in the hundred. Co-incident with this has been a corresponding increase in divorces and child delinquency, and a decrease in home owners.

Social philosophers and welfare workers are alarmed at the present trend. They are seeking the cause and cure of this evil. The absence of the wife and mother from the home bodes ill for the development of the children, and, indeed, for the permanency of the home itself.

The family is the unit of the race. Whatever makes for improvement in family life leads to a higher civilization. The natural place for the family is the home, and the natural keeper of the home is woman. Hence, the interest in home-owning, and the campaigns for better homes.

Leading men and women throughout the country are lending their efforts and influence to stemming the tide that is changing us from a nation of home-owners to a nation of renters, and to taking children out of industry and keeping them in school. Now comes the Woman's Bureau of the Department of Labor, with its report on married women in industry.

It is a curious contradiction of the natural order that the richer the nation and the more productive the power of labor, the fewer the home-owners and the greater the proportion of married women who have to leave home to enter industry. It is a fact so startling, and is so fraught with consequences to the race and to civilization that one might have thought the statesmen at Washington

or that it might have found a place among the platitudinous planks of the political platforms.

Curiously enough, however, the loudest protest against the employment of married women in industry comes not from the moralist, but from the unmarried women who have to meet their competition for jobs. What right, the unmarried sisters ask, has a woman who has a husband to support her to take the job that should go to the woman who has no husband. Besides, the married woman, getting part at least of her support from her husband, can afford to work for a lower wage and so tends to lower the wages of all.

But how, it may be asked, does it come that jobs are at a premium, and work is a privilege? Why is it that a person in need of goods, and willing to work, has not an opportunity to produce goods? If the earth had lost its fertility, if the forces of nature had refused to yield to the will of man, one could understand why some should lack subsistence.

But the earth is not barren. Nature is kindly to her children. Capital intelligently used yields more than a return of the seed. And labor produces wealth far beyond its own keep. It is apparent, therefore, that as long as any one is in want of what labor will produce and is willing to work, that person—regardless of whether married or single, should find