

TAX FACTS

Published in
the interest of

SOUND ECONOMICS

and

AMERICAN IDEALS

Vol. XI

Los Angeles, California, August, 1932

No. 4

BROKEN IDOLS

At the annual commencement ceremonies of the California Institute of Technology, Dr. Robert A. Millikan tried to instill courage into the hearts of the 169 young scientists who were about to pocket their diplomas and face the world, by telling them that only fear keeps us from rounding that now famous corner.

"The reason people are unemployed," declared Dr. Millikan, "is because we are stopping work, standing still, and quaking with fear instead of moving forward. . . . A far-sighted view shows that the big social machine in the United States is as sound as a dollar, since our ability to satisfy all the wants of our people has never been so great as now, but that the drivers, the people, are just now driving wildly, dangerously, because we are all paralyzed with fear. Whatever may have been the original causes that started us down the economic toboggan, the sole reason that we stay on it now is that we are all scared . . . you and I and everybody have lost confidence in one another and hence in our economic stability."

It is evident that Dr. Millikan does not consider political economy a science, and hence does not see the necessity of applying scientific methods to its study. We are sure that he does not dismiss causes and effects quite so nonchalantly when he is studying the cosmic rays. Granted, that we have lost confidence, is there any good reason for it; has any situation developed that should make the young graduate pause before accepting the time honored theories of economics and government that have been handed down from father to son? Dr. Millikan says never a word about that, never a suggestion that a little independent, scientific reasoning is just as necessary to solve our economic ills as it is to explain the problems of the physics laboratory.

William G. McAdoo, in a speech before the National Democratic Convention in Chicago, expressed clearly and emphatically, not the cause of the depression, but the reason for our lost confidence. We have been leaning on a broken reed,

and it has pierced our hand. Whenever long established beliefs are swept away, we always find ourselves considerably shaken. It is clear why Mr. McAdoo's words describe the real situation: our measurement by artificial standards; our misplaced trust; our belief in false gods. He said:

"For years the people of the United States have hugged the error that material achievement is the one true measure of success. The myth has been developed that the mere ability to make money carries with it every capacity and every virtue.

"Bankers, industrialists and the heads of great corporations were acclaimed as supermen, until it was actually believed that every governmental ill would be cured if these master minds could only be induced to turn their attention to public affairs.

"Of the many crashes that have jarred the country, not the least is the collapse of this amazing superstition. Wherever you go today, you tread a land littered with clay feet of blasted idols.

"In the face of a disaster largely produced by their own rapacities, not one of these acclaimed leaders in finance and industry has contributed an original idea; not one has shown a trace of the power to lead the nation out of the wilderness.

"The 'Miracle Man' of 1928, that great executive genius, who, with one tap of a Moses' wand, was to lift the country to new and undreamed heights of prosperity, now sits amid the ruins of his and his party's proud but shattered pretensions like a Lazarus in his ashes. The mightiest financial mind of Republican savor since Alexander Hamilton, hastily exiled from the scene of his blunders, now licks his wounds in the quiet of the court of St. James."

Dr. Millikan might have told his graduates, if he knows, that this fear, this lack of confidence, is a bad thing in itself, but a good sign of the times, for it indicates that what Mr. McAdoo said is true: "Wherever you go today, you tread

a land littered with clay feet of blasted idols." It would be almost impossible to substitute true gods for false while the false were still enshrined on their respective altars. Dr. Millikan should have told the young men to apply the same independent thought process to their economics that they had to their college work. We must look hopefully for the time when a young man can go out into the world and call his soul his own, and not be obliged to color his political opinions because by doing so he will stand a better chance of obtaining employment. As long as privilege has the choice jobs to dispense, there is little hope that these young graduates will do anything except yield to what seems to them necessity, place their own welfare before the need of humanity, and gradually lose any ideals that higher education may have built up.

Entering the practical life with half formed opinions, they will be easily swayed toward the side that offers them greatest personal reward. It may be that this terrific shake up that has broken so many idols will change that situation somewhat. Perhaps these young minds will gradually learn that the great captains of industry did not acquire their wealth, and consequent position, because they were more intelligent than other business men, but because they possessed some privilege that gave them an advantage over their fellows, some form of monopoly that made it possible for them to crush all opposition and reap wealth from the public far in excess of actual benefits rendered.

If Dr. Millikan can instill courage into his graduates that will inspire them to go into the world and struggle against the various forms of privilege with all their might and main, it will be worth more than anything they have learned about light rays or atoms. If privilege were endangered by the study of the starry heavens, by the truth regarding the composition of the planets, mankind would still be looking at those points of light and tracing them in their courses as the ancient Greeks did. Dr. Millikan would find it as difficult to voice his opinions on the cosmic rays as he does on the causes of the depression. Perhaps the fall of these clay idols that Mr. McAdoo has called our attention to will help to clear the atmosphere and make the world as safe for the economist as it is for the physicist and the astronomer. Economists must work with God's laws just as other scientists do, and it hampers their work greatly to have college trustees or liberal patrons of the school object to the practical application of Ricardo's law of rent. It is very much like asking Dr. Millikan to disregard the law of gravity or the conservation of matter.

Over these broken idols of clay let us build an altar that cannot be shaken by fear of the power of privilege.

CHICAGO

We have heard much about Chicago's financial troubles, her tax problems, her unpaid school teachers and dwindling municipal funds. It would be helpful and interesting if the country could hear more about the propositions of the Manufacturers and Merchants Federal Tax League. The League has addressed an open letter to the business men of Chicago and Cook County, and its proposals, like all corrective measures of a fundamental character, are equally valuable for the rest of the country. Chicago is not alone in her distress.

"Under the pressure of the tax load building activity in Cook County has almost ceased. Commerce is staggering. Manufacturing and trade are nearing a breakdown—are gasping for life! To cap the climax our taxing officials, forced by the land speculation groups to obey the law, are now adding to the assessment rolls billions of dollars of personal property!

"Thus the tax burden on business is now destined, under our present laws, to be far heavier than ever before! Hundreds of merchants and manufacturers who, up to this time, have managed to survive must inevitably be sunk while tens of thousands of workers will be added to our already vast army of unemployed!

"Out of this dangerous predicament there is now, in our opinion, only one avenue of escape and that avenue is 'natural taxation'. We have, therefore, had two bills prepared for Chicago and Cook County which will gradually abolish all local taxes on improvements and personal property—the lost revenue to be recovered by increasing the tax on the value of the land alone (ground rent). The land speculation interests will, of course, strenuously oppose these bills but the bills, we feel, offer the only means by which Chicago and Cook County can now save themselves from an overwhelming disaster! More than that, they offer the only effective means whereby the tax burden on homes, factories, etc., can be reduced, business and industry revived, employment increased and general prosperity obtained!"

If President Hoover is honestly looking for some method to help industry back onto its feet and promote prosperity among all classes of people, he would do well to dismiss some of his "experts" who have been proving their worthlessness for three years, and turn his attention to these proposals made by the Manufacturers and Merchants Federal Tax League. A bill that will "gradually abolish all local taxes on improvements and personal property" is a big step in the right direction. A bill that will gradually check the "hoarding" of unused, or inadequately developed, land will help us greatly on our road to economic recovery.

HIGH RENTS AND INDUSTRY

A shoe company has leased a two-story building in the heart of the Los Angeles business district. For a ten year period it will pay an aggregate rental of \$350,000. In the block north of this location, another company is paying the same amount for a fifteen year lease of a two-story building. High land values that give a few individuals an opportunity to collect high rentals from productive workers are looked upon by the majority of people as an indication of general prosperity. What is actually the case?

There have been comparatively few sales of valuable downtown lots since they attained anything approaching this high rental value. Nearly all valuable land in the centers of our larger cities were acquired by present owners through inheritance or through purchase when the value was far below its present level. Population grew, and with every additional man, woman and child, the valuation crept up. People cannot create land, but they do create land value, that is, they create the demand for certain land areas. This value belongs to them as truly as a coat or a chair or a loaf of bread belongs to the man who made it.

Our present land policy permits the men who old title to these two valuable sites to pocket its value themselves. Naturally, the value created by the community should be turned over to it to be used for expenses of government. It is ridiculous to talk about high taxes and wasteful expenditures of government when the greatest waste of all is the loss of the rental value of land which ought to be going into the public treasury to meet public expenses.

For the next ten years the city will lose over half a million dollars that rightfully belongs to it from these two lots, alone. The two business houses that are to occupy these sites will be handicapped by having to sell enough goods to make up this amount of rent before they can keep one cent to pay their own or their employees' wages or interest on their investment in goods and equipment. They cannot add this high rent to the price of their goods because they must compete with merchants occupying less valuable land. Supply and demand will continue to dictate the price, and out of that price, be it big or little, must come the money to pay this enormous rent. That is one great handicap placed on industry by our absurd land policy.

The second handicap comes from the fact that the government, having lost this sum which rightfully belongs to it, must meet its expenses by levying taxes on the store building, on the stock of goods, on the store furnishings, on the corporation if the firm is incorporated, and so and so on.

Is it any wonder that business has come to such a pass when it is hampered by these taxes that are levied to make up for the loss of enormous

sums of money that are going to individuals in the form of high rents? How long will supposedly sane business men have to dig down into their pockets to pay this unnecessary expense before it dawns on them that it is unnecessary and unjust?

PIRATES OF PENZANCE

The "Commonweal" of London has been publishing lists of English, Scottish and Welsh Barons with the amount and value of their land holdings. Some of the notes that follow the list are particularly interesting. The Pirates of Penzance of Gilbert and Sullivan fame are recalled in one note with some significance. Lord St. Levan is credited with two estates totaling 6,555 acres having a gross rental value of £95,212. The "Commonweal" says: "Lord St. Levan sits in feudal solitude perched high on the summit of St. Micheal's Mount, near Penzance. In former days, the Mount was the stronghold of pirates—the original Pirate of Penzance. Piracy is, of course, abolished; but this peer, as Land Lord of a considerable area of the town of Penzance, exacts heavy annual tribute of the people who must live upon 'his' land."

When the "Commonweal" says that piracy is abolished, it means, of course, the frank and open variety that flew the Jolly Roger and sang "Fifteen Men on a Dead Man's Chest". The subtle species of piracy that exacts heavy toll from individuals and industry, not only in Penzance, but in London, New York and Los Angeles, still flourishes. One lord in this list is quoted as having said on a certain occasion: "It has been ordained by the Almighty that I should not have to earn my living." It seems hardly fair to blame God for any form of piracy practiced by either wicked or thoughtless mankind.

Anyway, The Congressional Record is still dry.—*Cincinnati Times-Star*.

All Europe wants is to settle the debt question without settling the debt.—*Akron Beacon Journal*.

The most difficult thing to get on a radio now is \$25 from a pawnshop.—*Atlanta Constitution*.

Hoover has cut his salary 20 per cent, and as Democrats aim to cut it the other 80.—*Dallas News*.

Scientist says the world weighs 36,000,000 sextillion tons. How does he get that weigh?—*Wichita Eagle*.

Medical experts are divided as to whether it is safer to kiss or shake hands. That depends.—*Atlanta Constitution*.

Any girl who collects horsehair chairs can tell you that it's no wonder her grandmother wore six petticoats.—*Jackson News*.

A careful study shows that each new tax will bring in at least enough revenue to pay the extra hands needed to collect it.—*Macon News*.

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Published Monthly
By The Tax Relief Association of California
412 American Bank Building, Los Angeles, California
Phone: Tucker 2417

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STOUGHTON COOLEY - - - - NORMA COOLEY

Subscription per year 50 cents

VOL. XI LOS ANGELES, CALIF., AUGUST, 1932 No. 4

THE LITTLE RED SCHOOL HOUSE

A widespread movement is afoot to amend our state constitution so that state funds, collected principally through a "selective" sales tax, may be used for educational purposes. We are told that the object of this amendment is to equalize the expenditure of school funds so that the advantages of education may be made available for children of both poor and well-to-do districts.

That every child born on earth has an equal right with every other child to the advantages of education needs no defensive argument. We most heartily approve of that contention. It is the method of attaining that end that is open to question. The children of the poorer districts are now at a disadvantage, but will the proposed method of correcting this situation prove fundamentally beneficial, or will it merely place a greater burden of taxation upon industry while perpetuating and even increasing the primary cause of our scattered population, which is the root of the trouble.

In every town and city in California are vacant lots that should be graced with homes; on the outskirts of every community are idle acres that should be cultivated fields and orchards. If this land were used as it ought to be, there would be no need for our population to push farther and farther from the centers of prosperous communities. There would be practically no "poorer districts" where children are deprived of the benefits of well equipped schools. Doesn't it seem reasonable for a town or city to spread gradually from the center of activities? Wouldn't it be the obvious thing to do, for each incoming inhabitant of a growing community to take the piece of land next to and adjoining the last lot occupied?

Farming lands should be developed in the same way. Each farmer should acquire only as many acres as he can actually cultivate to advantage. Each farm should lie as close as possible to its market. This is true, not only of California today, but it is the principle upon which our whole country should have been developed. There never has been any excuse for the little red school house that tried to give such limited education to our farm children.

Why is it that we must lay miles and miles of water and sewer pipes past unused city and

town lots in order to reach a handful of home owners who have bought lots in subdivisions? Why is our farm population scattered over millions and millions of acres so that the postmen in rural districts must drive past miles and miles of uncultivated land to deliver the county paper and seed catalogues?

The ever rising price of land has forced prospective buyers away from the home sites and farm acres which they really want, and onto less and less desirable, but cheaper, land; and to bring them even a part of the services of government, we must spend more tax money than the actual services warrant. Our pernicious land policy has crowded some of our poorer population into unwholesome tenements and scattered others over waste places. None of our social problems, from education to crime control, can be successfully worked out until we first settle the land question.

Now we are asked to amend our state constitution so that industry will be still further burdened with taxes; so that the man of small means will have less and less with which to pay the taxes on his home, assessments which seem great because his income is small. Having been responsible for our scattered population, the real estate interests ask us to pay the penalty of the folly by assuming the worst of all taxes, the sale tax, in order to educate our far flung battle line of little citizens. First they push the price of real estate up to such unreasonable heights that farmers and orchardists, even home owners, are forced farther and farther from the centers of population, farther and farther from the vacant city lots and nearby farm acres where they would naturally settle, where they could enjoy the advantages of good schools and libraries and social intercourse—having had a large hand in working this injustice, the realtors seek to enact a tax law that will forevermore encourage land speculation and make it more and more of a curse in the state of California.

It is right that the state should assume this cost of education. We cannot now call in our scattered population and form new cultural centers, but if we allow the real estate interests to dictate the manner of meeting the expense, we may find ourselves in the position of the doctor who reported that the operation was a success, but the patient died. We are not in such a prosperous, such a healthy economic condition that we can afford to amend our constitution in such a way that the primary cause of our business depression will be given a new lease on life. We want to remove that cause as speedily as possible, not strengthen it. It is entirely possible for the state to meet this cost of education in a way that will benefit society, not only through better schools, but by putting an effective check on this disastrous land speculation.