

TAX FACTS

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Our Social Conscience

"It is not in intelligence that we lack for the overcoming of evil, but we lack in the unselfish responsible devotion of men in the service of the common weal." Dr. Albert Einstein.

When in health, we pay little attention to the science of it. If we suffer, even from a slight cold, we want to know when and where we got it. Many are the answers that have been given to the question: "What in the world caused this economic depression? How did we get this way?" It is of the utmost importance that we find the correct answer, for we can effect a permanent and satisfactory cure only when we understand the cause.

The absurdity of the majority of answers that have been given to this great question is too apparent to need discussion. There can be no such thing as overproduction of food or clothing or shelter while men, women and children must eat limited quantities of the plainest and cheapest food that is laddled out at the soup kitchens; when whole families must beg for cast off clothing; when men must sleep on park benches and in flop houses.

To say that the stock market crash was the cause of country-wide, even world-wide, economic disaster, is to credit a small group of speculators on Wall Street with greater power than any other group of men ever had since the dawn of history. If their manipulations of the stock market can produce such a situation as this where millions of able-bodied men and women are thrown out of work and millions more are reduced to the bare necessities of life, obviously, the stock-market must be removed wholly and absolutely from the business world.

Equally absurd is the idea that banks and credit systems alone could have produced such a deplor-

able condition as this. There was economic distress in the world; there were fat men and lean, there were masters and slaves before there were any banks or credit systems worthy of the name.

We must look deeper for the cause of social injustice. And when we have found it in the social laws that govern our modern life, when we have seen the fundamental principles of political economy warped and twisted to foster greed and selfishness; when we understand what it means to have this group and that group of men trampling over their fellows to obtain from Congress and legislatures the privileges that will give the few advantage over the many; when we know that all these lesser privileges are made possible by the one great father of monopoly—the right that we have given individuals to have and to hold the rental value of land that is created by, and consequently belongs to, the social group as a whole; when we know that this privilege of the individual to charge his brother for the right to use the earth can result only in enormous profits for the few and disaster for the many—then what?

Why is it that this great social injustice has endured through centuries and grown by what it fed upon? Why is it that those who see the answer to the problem so clearly must struggle so hard to impress it upon others? Why is it that everywhere they turn they are met, not with reason and logic as opposing forces, but are always faced with prejudice and ignorance and indifference?

The ultimate cause of our distress has been voiced by no one more clearly and concisely than

by that great scientist, Dr. Albert Einstein. "It is not in intelligence that we lack for the overcoming of evil, but we lack in the unselfish, responsible devotion of men in the service of the common weal." In other words, Dr. Einstein knows better than any of us how far intelligence has taken us into the realm of science, of physics and chemistry and invention. We certainly do not lack intelligence. But when it comes to a social conscience, to a sense of responsibility toward society as a whole, we do not measure up to the most primitive tribesman who guides his own acts by the effect that they have on the group as a whole, who knows that his own welfare and the welfare of the tribe are one and the same.

In our modern, civilized life we have lost sight of our relationship to society as a whole. It is every man for himself. Each one is trying to gain some advantage over his fellows, trying to get some privilege that will make it possible for him to gain more riches than he could possibly earn for himself. He does not see that unless his own prosperity is honest, is based on sound economic laws, it will weaken the entire social structure just that much, and when multiplied by the whole number of individuals who are striving to attain success on false principles, his manner of procedure spells disaster for the group as a whole and eventually brings his own downfall.

Through the slow progress of the ages, man's inventive genius has produced machines and methods that should have relieved humanity of most of its burdensome toil, but which have, instead, built the mansions of the millionaires and the tenements of the millions. Dr. Einstein declared that the present day state of European-American civilization is "critically shaken because of men's disregard for the ethical springs of his civilization. The more powerful are the tools which the creative forces of the past generations has given into our hands, just so much greater and purer must be the ethical forces that are necessary to make a wholesome use thereof."

Will it be possible for this depression to arouse people to the need of a social conscience, a feeling of responsibility for the welfare of the group as a whole? If not, we must make up our minds to another depression and another and another until we have learned that vital lesson.

TOWN AND GOWN

In connection with its twenty-year building program, the University of Southern California plans to "absorb" some of the property adjacent to the present campus. Certain property on University Avenue was, some time ago, zoned for business. The University is seeking to have it re-zoned as residence property. The property owners do not see "any good to be derived from

the change except to the University, which would eventually be able to acquire it at a reduced figure through the depreciation in value the property would suffer as a result of the change."

Mr. Henry E. Bruce, comptroller for the University, said that the property owners are trying "to force us to pay five times the value of the property. Their 'business properties' consist principally of hot dog stands, and yet they want \$1000 a front foot for the property, although the stands are doing very little business."

The University of Southern California, like other universities, has its department of economics. This department has steadily refused to recognize the land question. With the gesture of Mr. Podsnap, it has swept the law of rent and all it implies behind it. "I don't want to know about it; I don't choose to discuss it; I don't admit it!" says Mr. Podsnap. To turn one's back on a thing is not to annihilate it. The land question is still there on University Avenue quite as vital and effective as if the University of California knew all about it—or cared to know—and the University has run smack into it to the tune of \$1000 a front foot for hot dog stands.

If the rental value of this land were being paid into the public treasury instead of into private pockets, it would not be possible for the lot owners to offer their land to the University at prices inflated beyond all reason. The land would be valued for what it was actually worth for use, and the University, instead of the individual owners, would go on paying the land rent to the public that created it.

The University of Southern California cannot change this situation fundamentally as easily as it can persuade the City Council to change the zoning of the property, but it can, and should, work intelligently and constantly to educate its students and the public in matters of political economy and taxation so that we may in as short a time as possible free ourselves from this vicious system of land speculation. The University can do this only by facing the issue squarely. Podsnappery never yet solved the problems of the world.

THE SALES TAX

Indirect taxation costs the real tax payers much more than the government receives, partly because the middlemen through whose hands taxed commodities pass are able to exact compound profits upon the tax, and partly on account of extraordinary expenses of original collection; it favors corruption in government by concealing from the people the fact that they contribute to the support of government; and it tends, by obstructing production to crush legitimate industry and to establish monopolies.—Louis F. Post.

USE YOUR DICTIONARY

We are not likely to make much progress in the solution of any problem unless we have a clear and definite idea of the words and terms that are applied to it. Never did any group of men try so persistently to confuse the public mind by the misuse of words and phrases as the realtors are trying today. "After all, real estate selling is but the merchandising of another commodity—the basic commodity of the nation," says Mr. William L. Enequist in the Los Angeles Realtor.

Merchandising and commodity are terms applied to things that are made or manufactured, goods, wares, the produce of land, not the land itself. Land is not a manufactured article and should not be treated as such. Our whole trouble arises from the fact that we have failed to distinguish between the things that men make and the things that God or nature, as you wish, has made. A good dictionary is a great help even in the study of taxation.

AMATEUR GARDENERS

"A country wide program to feed the hungry through use of vacant city lots was under way today, backed by the Los Angeles County League of Municipalities," said a Los Angeles paper a few months ago. "The plan, as so far outlined, would enable the unemployed in the various communities to grow food stuffs on vacant land under some sort of expert supervision." Having heard nothing of the plan since, we don't know how well it progressed.

The plan to utilize vacant city lots for gardens to feed the hungry has been nation wide. It has been proposed at a time when farmers are wondering what on earth to do with their surplus stock of food stuffs, when they have produced more than they can sell. It is proposed that the farmers, who are by profession the producers of vegetables, be supplanted by amateur gardeners who know almost nothing about cultivating the soil. Let farming be done by farmers on farm acreage. Let city lots be put to their legitimate use, the erecting of homes and other buildings. Put the unemployed to work on city lots, but put them to work creating the things that are appropriate to city lots. Put the carpenters and plasterers and plumbers etc. to work at their respective trades and they will have money to buy food that farmers produce, people will have homes, industry will be stimulated in every branch.

Why use a three thousand dollar lot to produce three dollars worth of vegetables—if the seeds grow? There're too many carrots in the world now.

PREDICTIONS

Farm land taxation relief is one of the problems that confronts the California Real Estate Association this year. Oscar O. Reed, State chairman, says: "I predict that we are about to witness the greatest migratory movement of people seeking agricultural investment in California that has ever been witnessed and the real estate broker who knows farmland merchandise will do the greatest volume of business in the years to come. California has a universal appeal. It is home life and comfort."

There are, then, two groups of men who will struggle for the land of California in the years to come. One will be the real estate brokers who will call the land "farm-land merchandise" and deal in it accordingly. It will be to their interest to keep the taxes on land as low as possible so that they can hold it as long as they like and not pay for the privilege. The other group will be the real honest-to-goodness farmers who want to use the land to plant things on. These farmers will pay the real estate brokers an ever increasing price for the land, a soaring price that must be met with mortgages and heavy investments out of all proportion to what the farmer can get out of the land. The more the farmer must pay for his land, the less he will have left out of his earnings to pay interest on his equipment and wages for his labor. Then people wonder why farming doesn't pay and what can be done about it.

The retired farmers down at Long Beach didn't buy their farms back in Iowa and Illinois from real estate brokers. They bought them from Uncle Sam for a dollar and a quarter an acre and thereabouts. Those were the days when farming paid. Tax the farm land high enough to make it unprofitable for real estate brokers to deal in it, and the real farmers will get the breakes.

Seven football stars in Congress. From pigskin, you might say, to pork-barrel.—*Fresno Republican*.

Begins to look as though it was an economic error to allow Germany to lose the war.—*Weston Leader*.

America has too much of everything. No American has enough of anything.—*Dunbar's Weekly (Phoenix)*.

Anyway, the piled-up public-bond issues indicates that posterity will never be out of a job.—*Macon News*.

There is nothing strange in the fact that the American tourist trade in Canada has taken a drop. It always did.—*Philadelphia Inquirer*.

Henry Ford says adversity is good for us, which is just what our mother used to tell us about castor oil, and she didn't taste that either.—*Newark News*.

If the Japanese demand the right to chase bandits out of places, why not give 'em Chicago to play with?—*San Diego Union*.

The dreadful sounds we sometimes hear over the radio are caused by sun-spots, an astronomer believes. I heard one sun-spot last night that was a soprano and one that was a tenor.—*Detroit News*.

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OUT OF THE DESERT

"Many miles from the nearest settlement, isolated without means of communication and in many cases without modern means of transportation, families of homesteaders and ranchers on the great American Desert between here and Phoenix, look forward each day to the arrival overhead of gaint skyliners plying the transcontinental air route as their only contact with the outside world." Last month the "Los Angeles Times" printed the story of two airmail pilots who conceived the idea of dropping newspapers to some of these lonely homesteaders whose tiny ranches dot the great desert over which the mail-and-passenger transports pass.

One day the pilots signed their names on the cartons in which the papers were wrapped, "and in came responses by mail—delayed a bit, but startling in their heartfelt thanks to the pilots and packed full of the drama that isolated life on the desert has inflicted on the writers." One woman wrote: "By the way, now that you have introduced yourselves, please drop us correct time once in a while, as I am so tired of trying to set my clock by your schedule and the rising sun. It just don't work, that's all!"

Look down at the bottom of the same page of the Times and you will see this headline: "Old Fruit Trees Doomed." Under a new statute known as the Abandoned Orchard law, County Agricultural Commissioner Ryan is developing plans "for the destruction of 106,000 abandoned fruit trees, many of them infected with disease, in Los Angeles County." Not so many years ago, San Fernando Valley and other nearby communities were dotted with orchards and small farms. Then came the wild frenzy of land speculation. The population of Los Angeles was growing by leaps and bounds. Who wants to toil over plow and smugepot making an honest living by the sweat of his brow when orchards and lettuce fields can be cut up into fifty foot lots and sold to the incoming Easterner for all you can get out of him? He dosen't need to

use the lot—probably won't—he can hold it for a few months and sell it to a still later arrival.

Oh, it was a beautiful plan. It almost equaled Alladin's lamp and beat the roulette wheel all to nothing: Just one little thing spoiled this journey on the road to sudden riches. As the whole country slumped lower and lower into the depression, the tide of Westward emigration became slower and slower. Los Angeles suffered from an underproduction, rather than an overproduction of "suckers" and the hopeful orchardists were left with town lots on their hands and no town. Many of the trees were not cut down, and there they stand, harboring places for fruit flies and guant symbols of man's greed and folly.

The point to the story is this. Close to Los Angeles are farm and orchard lands with fertile soil, irrigation facilities, nearby markets. Farmers and orchardists located on these lands would have the advantages of community life for themselves and their families. Their children could attend well equipped, nearby schools. But what has really happened? The owners of this land are still holding it for town lot prices. It is not needed for town lots, won't be for years to come, and it stands idle, abandoned to weeds and disease infected trees that the county must pay to remove. Men who want small farms and orchards, and who have no fortunes to invest in dude ranches, are obliged to drag their wives and children over to the Great American Desert where they are dependent on the humanity of airplane pilots for news of the outside world and even for the correct time. The men must struggle with all the handicaps of the desert to wrest a living from the sands; the women must grow faded and querulous over the backbreaking washtubs; and the children, what of them? God only knows. They are the victims of our insane system of taxation that permits men to hold out of use land that is needed to produce the absolute necessities of life. The history of our country from the Atlantic Seaboard to the Pacific Coast is the history of man's greed that pushed his fellows constantly into the wilderness in order to make a living; drove him farther and farther from civilization where his family might have enjoyed the decencies, to say nothing of the comforts, of intelligent life.

To say that such a system of pioneering is necessary to build an Empire is rot. Every country and community should spread its boundaries where and as additional territory is actually needed for use, not as selfish men want it for speculation or because speculation has pushed up the price of nearby land to a prohibitive point.

Deserts are all right for Joshua trees and G monsters, but the Malthusian theory might just as well be true if men have to drag their families to such Godforsaken spots to make a living.