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AGRICULTURE

In its struggle with the agricultural problem, the administration is working on a plan that will retire from cultivation certain areas now being farmed. The idea is to limit the farm acreage under cultivation and thereby curtail production. The most noteworthy discussion of this plan that has come to our notice is contained in an address by Rexford G. Tugwell, Assistant Secretary of Agriculture, before a joint meeting of the Economic, Statistical and Farm Economic Associations at Philadelphia.

It is evident that Mr. Tugwell takes a much broader view of the problem than President Roosevelt does. He needs very little more, in fact, to complete the picture, but that little is of the utmost importance. The significant point in this address is the fact that Mr. Tugwell questions the effectiveness of our present land system. It takes a smart man to do that. In all the discussions pro and con of various plans for pulling the nation out of the doldrums, it hasn't occurred to any of these illustrious statesmen or wise schoolmen, that there *might* be something amiss in our method of parceling out the earth, itself.

That a new relationship must arise between the Government and the land is evident to Mr. Tugwell. Just what form this relation will, or should, assume is not so clear. He suggests that the Government "will control the private use of the areas held by individuals to whatever extent is found necessary for maintaining continuous productivity. . . Past developments have demonstrated the ineffectiveness of a land system which depends wholly on private management."

As Assistant Secretary of Agriculture, addressing an audience containing an agricultural group, Mr. Tugwell naturally discussed the land problem from the farmer's point of view. There is an old saying that if you want a dog to wag his tail, pat his head. If the administration contents itself with seizing the dog's tail, and forcibly working it back and forth, they will not produce a very successful and enthusiastic wag. This little farm problem dog has a

head, and we want Mr. Tugwell and his fellow officers of the administration to give it a pat.

Before coming to that, it will be well to follow Mr. Tugwell's address and see what some of our sins of commission and omission have been during the past. "Our earliest governmental attitude toward the law," said Mr. Tugwell, "was one which sought to get it into private ownership promptly and speedily, so that it might be settled and become productive. This attitude was in consonance with the unlimited confidence we then had in individual enterprise. We believed in it for farmers as well as for business men. We expected it to produce the best results not only for individuals but for society. . . Faced with apparently unlimited resources, the active and individualistic expansion was the natural movement in a pioneer economy. . . . Between 1841 and 1861, three times as much public land was given away as was sold. . . . By the end of the century, most of the desirable land was in farms—including much land which should never have been put under the plow." Then our troubles began. All that Mr. Tugwell mentions and many more. As the railroads stretched out across the country, corn and livestock could be transported from the Ohio Valley and the Western Plains to the Atlantic Seaboard, and the small New England farms found it harder and harder to compete. We were not much concerned because "westward migration was open to all. . . . By the end of the century, the most valuable parts of the public domain, including a large part of our agricultural, forest and mineral resources, had passed into private hands. Except for emphasis on speedy settlement and full exploitation, this vast gift of resources was made by the Government to its citizens without thought of consequence.

"Toward the turn of the century, doubts began to arise, some few questioners began to ask whether use of land solely in the interest of each individual was the only possible way to proceed."

The only possible way to proceed! It is this idea that we must go on forever, holding land,

buying and selling and renting it—and above all, speculating in it—that makes our civilization a curse instead of a blessing. Mr. Tugwell pointed out that the Government did begin to study our natural resources and finally came to the conclusion “that private ownership did not protect posterity; and that the Government itself would have to hold and administer at least some of our basic resources if any protection at all was to be had.” This rugged individualism we hear so much about is fierce stuff.

The settlement of our country became a swindler's game. The choice areas were taken. “The land settlement agents of railways, States, and lumber companies continued to entice settlers into occupying new or cut-over lands and farming them, regardless of the failure of those who had tried before and failed or those who were struggling desperately to make ends meet on lands which ought never to have been settled.” With millions of acres of good farm land lying idle, homesteaders were pushed onto these marginal areas that may never be actually needed to feed the world. That is one thing that land monopoly does.

“The shock of the depression has at last awakened us to a new attitude. We no longer regard land as land alone; we regard it as one of the central and controlling elements in our whole national economy. More than that, we realize that upon the manner and character of its use may depend the welfare, not only of our descendants, but of ourselves. . . . Not only is it necessary for us to conserve our natural resources for the welfare of posterity; it is also necessary to regulate the use of land resources for the welfare of the living generations. We have depended too long on the hope that private ownership and control would operate somehow for the benefit of society as a whole. That hope has not been realized. Now we are coming to believe that our resources will best be utilized for the benefit of all if we give deliberate study to the needs of society and adjust our land uses to those needs.

“What we face today is a deliberate attempt to weigh all phases of the land problem, and to map out an appropriate long-time policy, in which all uses of land and the potential need for each use are given their proper place. The job is not an easy one, and we cannot get a perfect answer at the first attempt.”

Mr. Tugwell has stressed all along the need for a change in our attitude toward land and land holding. The idea of private ownership of land as we understand it today is practically what our ancestors have understood it to mean for generations. It has become ingrained in our natures and we will not readily give it up, therefore, it is highly important that whatever change in our land policy the administration wishes to make it give us as little jolt as possi-

ble. A man will not sow unless he is reasonably sure that he may also reap. There is a superstition among men, even among those who have lost their property through non-payment of taxes, that this security can be established only by the use of a bit of printed paper called a title well wrapped up with red tape. Very well, it is not necessary to abolish these titles. Let men hold them exactly as they do now.

The great change that is needed is in the mental attitude and understanding of the people, the actual change in operation of a new land policy need not be great. If you moved all the buildings and improvements off your farm, what rent could you get for the bare land? That is the rental value of your farm. The same thing is true of urban land. What is the rental value of your bare city lot? Let the Government collect that rent and abolish every other tax that now rests on your house and barn, or garage, on your furniture and other personal property, on your crops and farming implements.

If, on the other hand, the Government tries to curtail crop production and raise prices by limiting the number of acres that may be cultivated, the price of farm land will go up and up until farming will become something of a racket. There are many tenant farmers throughout our agricultural districts. What good will it do to force up the prices of farm products if limiting farm lands forces up rents? These higher rents will be a wonderful thing for the retired farmers at Long Beach, but not so funny for their tenants back in Iowa. Has any government the right to so limit the activities of its people? Has it the right to say who shall be farmers and who shall not? This would be a very dangerous policy.

Mr. Tugwell points out several difficulties in the program of land withdrawal. “It is easy to say ‘take the submarginal land out of use’; but it is more difficult to say just what we mean by submarginal land, and where it is, or to offer more attractive alternatives to the people who now live there.” It is not easy to say just how much acreage will be needed during the coming years. There is the question of foreign trade, of growing population, of increased purchasing power that leads to higher standards of living.

We shall consider only the third and last problem, that of increased consumption, because it is the head of that dog we wanted to pat in order to make his tail wag jubilantly and spontaneously. You see, the administration is trying to help the farmer by helping the farmer. That's the wrong way to go at it. The farmer doesn't need any help. The development of farm machinery and of scientific crop production has given him all the help he needs. It is the non-farming population of the country that needs help so that it can buy the farmers' products. Do something that will make it possible for all

of us to buy all the food stuffs we need and want and the farmer won't have any trouble with his acreage and his crops and his prices. It is city land that needs particular attention—and a change in land policy. Mr. Tugwell has pointed out that our present system of land ownership and control has not operated for the benefit of society as a whole. That is because it has allowed this rental value to pass into private hands, thus making land speculation the great gambling game of the world. Within the boundaries of every town and city in the country, valuable land lies vacant or inadequately improved. If this land were put to use, as it most certainly should be, many people would be given employment and many men and women who have taken to the road would be provided with comfortable homes and places of business. Increased employment means increased consumption of goods—unless rising rents keep pace with rising wages and so absorb what should go into improved standards of living. Neither the farmer nor the city dweller can be helped permanently until land speculation is wiped out. People will gamble to the end of time, but let them gamble on horse races and poker games and roulette wheels and other non-essentials of life, not on land without which we cannot live.

"Our distribution of wealth," said Mr. Tugwell, "has been so uneven that millions of adults and children have gone without adequate diets—the more expensive foods, such as milk, eggs and vegetables have been denied them. Millions also have gone inadequately clothed even while the producers of these very products have had surpluses rotting in the fields or driving the prices they received down to levels which destroyed their purchasing power and deprived them in turn of the materials we like to think of as making up an American standard. We do know that an adequate diet, properly balanced as to all the essential food elements and sufficiently ample to provide for healthy living, would require a larger area than would a more limited diet. The Bureau of Home Economics has recently published standards ranging from a 'restricted emergency diet' to a 'liberal diet.' Preliminary calculations from these standards indicate that it would take 67 per cent more acres to supply each person with the materials for the 'liberal' than with those for the 'restricted' one. . . . We must find means to organize our activities so that each person can use his abilities in the kind of work for which he is best suited, taking account of the need for each kind of product; so that the production of each is in proportion to the production of other things; and so that each worker has sufficient income to purchase his fair share of all we produce."

When we have adjusted social conditions so that "each person can use his abilities in the kind of work for which he is best suited," the farm

problem will take care of itself. Land must be made more, not less, available if we are to have better conditions. Idle land does not employ men.

The two closing paragraphs of Mr. Tugwell's speech are well worth quoting:

"The land is the common heritage of all our people. In the past, the Government has squandered it, heedlessly and wastefully. The results of this folly have long been apparent in denuded hills, eroded gullies, flooding rivers, and the pitifully poor populations of many secluded regions, and over some broad areas not so secluded. A quarter century ago the Government began giving some attention to conserving the last remaining bits of this great heritage for the protection of posterity. Private control has failed to use wisely its control of land. The post-war decade of low farm incomes, and the subsequent period of industrial collapse, now makes us realize that the use which is made of the land is of immediate and vital interest to us all.

"For the first time, the Government is thinking of land as a whole. For the first time we are preparing to build a land program which will control the use of that greatest of all natural resources, not merely for the benefit of those who happen to hold title to it, but for the greater welfare of all the citizens of the country. The exact part which the Government will play, and the part which private initiative will play, still remains to be worked out. The problems to be solved are both intricate and vast. But the problem is clearly before us. It is one we cannot evade. We must develop the answer to it, effectively, soundly, and workably, if our civilization is to continue on a broad and wholesome basis."

LOOKS LIKE A JOKE

The unemployment relief census shows 113,425 persons on the relief rolls in Los Angeles. Many of these have no homes or are inadequately housed. There is plenty of land within our city limits, lumber companies and building material men are anxious to furnish the necessary wood and stone—and labor? It's standing around on the street corners; but if you try to put any idle men or idle dollars to work in a building campaign, the owners of the vacant land will shout with glee and send land prices skyrocketing until the whole game comes to another standstill. A joke? Why, it must be. Surely people in their right minds wouldn't intentionally create such a situation as this.

Maybe teaching children with moving pictures would be a success if they could get Mickey Mouse started in arithmetic.—*Greensboro (Ga.) Herald-Journal.*

One of the surviving technocrats pipes that man, sooner or later, will have his thinking done by machines. Well, that wouldn't increase unemployment much, anyway.—*Arkansas Gazette.*

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THE PRICE WE PAY

A few months ago, the Government issued reports on the cost of living, particularly food prices, in the larger cities. Los Angeles was somewhat chagrined to find that she stood at the top of the list, or near the top, it doesn't matter which. That was not good publicity. Would the folks back in Nebraska and Indiana be so eager to come here if they knew that their bread and butter would cost more here than "back home"?

Yet these same boosters who deplored the high cost of labor products, are rejoicing over the prospects of soaring land prices, for real estate, they believe, is due for another boom—not a big fourteen-inch gun boom such as we had to usher in the depression, but a nice soft little pop gun boom. The odd part of it is that the people in other states don't see the point anymore than the California boosters do. Bless their innocent hearts, they think that the more they have to pay for a lot to build a home on, or the more rent they must pay for an apartment, the more prosperous they are!

How can that be? Why is a man richer when he must work harder and produce more in order to pay someone for the privilege of living in this or in any city? The payment for this privilege constitutes a constant drain on society. The wealth that should flow into the public treasury to defray the costs of government is diverted into private pockets, making it necessary to levy a multitude of taxes on labor products and so clog the wheels of industry. When we pay for bread or shoes or radios, we pay for something that would not have existed if someone had not made it. So specialized has become our industry that the simplest labor product may represent the work of many hands and minds from the gathering of the raw materials to the delivery of the finished product. This means wages for labor and interest on capital.

What are we paying for when we buy a lot or a farm? We are paying another person for the right to use a bit of the earth's surface—land that was not produced by human labor, but was created by Divine Power or by some great natural force, call it what you will. It has no value

in an economic sense until someone wishes to use it. Its value then is what he is willing to give, either in the form of labor or of labor products, for the exclusive right to use it. How much he is willing to pay will depend on how much more he can produce on this particular bit of land compared with what he could produce on free land.

Naturally, the demand for land is greater where there are a number of people than where there are only a few. Since the presence of people and their desire to use land gives it value, the value belongs to the group as a whole. It is nothing that the individual has produced. His desire to use land has added an infinitesimal part to the land value in his community. If he moves away, it will make no appreciable difference in the value of the land, but if a number of people move away, the value will shrink perceptibly, and if enough people leave, we will have the "ghost towns" of a played out mining territory.

Since the group as a whole is responsible for the value of the land, it is only the group that has the right to collect this portion of what is produced on the land. Under our present laws, it is the individual who has the legal, but not the moral right, to make this collection. This is what is called "rent" in political economy, and it applies to the bare land, not to any improvements that may exist there. As this rent must always come out of labor products, or in the form of labor, itself, the higher the rent, the harder the user of the land will have to work to pay it.

The price that we pay when we buy a lot is this rent capitalized. That is, if the selling price of a lot is \$3000 and the current rate of interest is 6 per cent, the rental value of the lot is \$180. It is impossible to say what the true value of any land is today, because land speculation has pushed this value up above its normal plane. It is possible to point out only the principle on which rent is based. Who can deny that if this rent were lower, if less of labor products had to be taken out to pay it, and none at all to pay any other tax whatever—who can deny that we would be richer as individuals and as communities?

Think of what it would mean, especially at a time like this, to advertise throughout the country that people might come here to establish homes without investing one cent in building lots; that they would hold title to any land they might choose just as they were accustomed to; that the annual payment of a modest rent into the public treasury would give them the same security they had enjoyed under the archaic system of landholding in vogue in those backward states that were still dominated by the realtors and speculators.