

# TAX FACTS

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## TOM-ALL-ALONE'S

In our discussion of old age pensions, we have focused our attention on the older generation almost to the exclusion of our little citizens. The study of political economy cannot be confined to the problems of one group. The interests of all generations and divisions of generations are so dovetailed together that we cannot adjust nor regulate the affairs of one without affecting the others.

The basic injustice that has deprived the older generation of its earnings and its opportunity to earn may be more clearly seen if we seek the cause of the economic maladjustment that is depriving other groups of their natural rights. If we can ferret out this truth, it should help us to determine the value of all and any proposed plans for benefiting the older group. That is, how can any proposed plan meet with success if an injustice now existing is not first rooted out?

Is it merely the older generation that is finding it hard to get jobs and to live even in common decency? Are they the only ones who are suffering from lack of proper food and comfortable housing? Let us look for a while, not at the closing, but at the opening years of life, at the children. How does life look to them, what chance have they to wrest a livelihood from the old earth, to establish happy homes when the time comes, to live healthy, contented, independent, useful lives?

Neglected childhood has found no greater champion than that dearly beloved English author whose birthday we have just celebrated—Charles Dickens. Perhaps none of his many vivid pictures of abject, hopeless poverty, so typifies the misery and foul existence that falls to the lot of some little children, and the indifference of the general public, more than that picture of Jo, the crossing sweep, who "didn't know nothink," coming out of that foul, ruinous street known as Tom-All-Alone's in the early morning and sitting down to munch his bit of dirty bread on the door-step of the Society for the Propagation of the Gospel in Foreign Parts! Poor Jo, who was

always being told to more on, until neglect and filth and cold and starvation so throttled down the spark of his miserable life that death at last caught up with him, and he knew that it was time for him to go "to that there berryin'-ground," the one and only place on this God-given earth where he would be "moved on as far as ever I could go and couldn't be moved no farder."

Fiction? Yes, but fiction built on facts—facts that shame our civilization. That was in the early part of the nineteenth century, what of the twentieth? You who ask with so much complacency for two hundred dollars a month, how much thought did you ever give to the condition of others less fortunate than yourselves, especially the children? There have been thousands of men out of work during our most prosperous years. Did you ever think of it or consider that it was in any way *your* problem?

A worthy champion of blighted childhood comes to us in the person of Paul de Kruif. We advise you, by all means, to read his article, "Children of the Shadows" appearing in the March number of the *Ladies Home Journal*. Perhaps the most noteworthy feature of the article is the honesty and frankness with which Dr. de Kruif accepts his share of the blame for existing social conditions.

"It's no fun," says Dr. de Kruif, "to look myself in the face and know that I'm co-guilty in the matter of the needless, uncalled for, inexcusable dying—let's be honest and call it murder—of thousands of American children." After devoting the maturer years of his life to the study of microbes and the part they play in human welfare, Dr. de Kruif has stepped out of his laboratory, looked upon the deplorable condition of some of his fellow men—especially the children—and concluded "that microbes are not so malignant as men." He went into what he calls the basin, or valley part, ... Cincinnati where live the very poor of that city, and where he watched the work of Dr. Floyd Allen, associate secretary of

the Cincinnati Public Health Federation, and Dr. Allen's "boss", Mr. Bleeker Marquette.

"The exciting laboratories of Pasteur and Koch were mere playhouses compared with the tragic workshop of the Cincinnati discoverers. And it was *fun* to scotch and swat microbes that were, after all, simply subvisable vermin. But the culprit discovered in Cincinnati is human, and not confined to that city. He's anything but invisible. I see him in the mirror when I shave, every morning. I am to blame, all of us citizens are guilty, so long as we tolerate this man-made setup for mass child murder, a condition whose rubbing out would rob microbes of so much of their deadliness. . . .

"It must be driven home here most explicitly that this contrast between poverty and prosperity could have been made with similar embarrassing results to local pride in any other American big city." For, as Dr. de Kruif, points out, every large city is really two cities, the one that is the pride of the chamber of commerce, and the other that is the slum district. In Cincinnati, the slum district lies in a low section near the Ohio River. "This is the basin where in many a block nearly two hundred people live jammed on two hundred square feet of the ground of this our spacious America."

We cannot, of course, give much of the detail of Dr. de Kruif's article but it contains much that should touch, not only the heart, but the conscience of his readers. He found there in our own American city a very good substitute for Tom-All-Alone's, but "honest, respectable people trying under adverse conditions to give their children a chance to live"; he found a Negro mother with eight children, feeding them with no help from the welfare, on the five dollars a week that her husband earned, buying one quart of milk every other day for her eight children; he saw how the lack of sunlight made these little children an easy prey to TB; he concluded that "poverty, over-crowding and high tuberculosis death rates go together."

"It's poverty, it's the whole miserable, indecent kind of living forced on millions—white or colored, no matter—in our wealthy America that keeps tuberculosis sending babies into screams of pain from meningitis, little boys and girls into deformity and invalidism with TB of the bones, young people at the threshold of useful life down to gasping death from consumption. . . .

"We know that lack of wherewithal is more deadly—to the most innocent, the most lovable, the most important part of humanity; to our children—much more murderous than all the automatics, tommy guns and sawed-off shot guns of all the Dillingers and Pretty Boy Floyds about whom we're so indignant." Dr. Allen and Mr.

Marquette have found "that poverty is a chief cause of children's dying."

Each one of these little children came into the world with the same natural right—the right to the use of the earth, and that means the right to all of the sunlight they need to keep their little bodies strong and healthy. They can't enjoy the sunlight unless they have the use of the land on which it falls, and when they come into this world, they find that every bit of desirable land is already owned—not necessarily used—by some who came before them. Unfortunately, they didn't bring any money with them when they came, and they were not lucky enough to be born into families that did have money, so they must suffer the consequences of our idiotic system of land holding.

Acres and acres of farm and urban land are held out of use, or are inadequately improved. Idle land means idle men. Idle men means no wages for some and low wages for the rest who are working; it means families indecently fed and housed. Dr. de Kruif has pointed out "that the curse of Adam has been lifted by science, which is our common heritage bringing superabundance." The right to use the earth, itself, during their lives is also the heritage of these little children.

Fifty years ago, Henry George wrote: "Land is necessary to all production, no matter what be its kind or form; land is the standing-place, the workshop, the storehouse of labor; it is to the human being the only means by which he can obtain access to the material universe or utilize its powers. Without land man cannot exist. To whom the ownership of land is given, to him is given the virtual ownership of the men who must live upon it. When this necessity is absolute, then does he necessarily become their absolute master. And just as this point is neared—that is to say, just as competition increases the demand for land—just in that degree does the power of taking a larger and larger share of the earnings of labor increase. It is this power that gives land its value; this is the power that enables the owner of valuable land to reap where he has not sown—to appropriate to himself wealth which he has had no share in producing. Rent is always the devourer of wages. The owner of city land takes, in the rents he receives for his land, the earnings of labor just as clearly as does the owner of farming land. And whether he be working in a garret ten stories above the street, or in a mining drift thousands of feet below the earth's surface, it is the competition for the use of land that ultimately determines what proportion of the produce of his labor the laborer will get for himself. This is the reason why modern progress does not tend to extirpate poverty; this is the reason why, with all the inventions and im-

provements and economics which so enormously increase productive power, wages everywhere tend to the minimum of a bare living."

This is the reason, friends, that the giving of alms in the shape of pensions or relief jobs or welfare funds does not, and cannot, end poverty for young or old; does not and cannot wipe out the filth and degradation of the Tom-All-Alone's that disgrace the cities of this, the richest nation in the world. No spending orgy on the part of one group can relieve the distress of another group that has to produce the wealth of the country and pay for the privilege of doing so! So far as mere physical comfort is concerned, it would be better if these would-be pensioners bought these little children on the auction block, for if they "invested" money in the little ones, it would be to their interest to keep the children alive and in a healthy condition.

Those of you who have read Dickens' "Bleak House" will remember that when Jo comes out of Tom-All-Alone's for the last time and is ready for his final "movin' on", the young surgeon, Allen Woodcourt, tries to get the poor fellow to repeat the Lord's Prayer. Never having enjoyed it's right to this earth, a right that was his equal with every other child that was ever born, it is not thought proper for him to enter the other world without a prayer! Perhaps it is appropriate that the boy should break down on the second line. Dickens says: "Dead, your majesty, Dead, my lords and gentlemen. Dead, right reverends and wrong reverends of every order. Dead, men and women, born with heavenly compassion in your hearts. And dying thus around us every day."

Until we stop the buying and selling and leasing of land as if it were a product of man's labor like a house or a bushel of wheat, instead of the storehouse provided by God from which man's labor may produce houses and bushels of wheat—until we give up the idea of allowing some to live on the labor of others, we cannot hope to bring these little children out of the shadows of Tom-All-Alone's.

### MIGRATION

Gov. Lehman of New York has proposed a tax levy of 7 per cent. on incomes exceeding \$9000. This is reported to have given impetus to a migration that had already started on the part of some of New York's wealthiest families. They are looking to Rhode Island for sanctuary as that state has no income tax and a comparatively low personal property tax.

Florida, California's perennial rival, would almost declare the Ten Commandments unconstitutional in that State if by so doing she could lure the motion picture business from here to

there. Now comes a proposal to increase our state revenue by taxing the films in a rather reckless manner. Florida sees in this her golden opportunity and has "volunteered a tax-free arrangement over a period of ten years."

Try taxing land values, Governors both. It is not likely that enough people will ever leave New York or California to have any visible effect on the value of the land—and the land can't run off to Rhode Island or Florida.

### THE BUILDER

A few days ago, Frederick Philip Dinkelberg, designer of New York's famous Flatiron Building died at the age of 76, leaving only 60 cents in the family treasury. You see, Mr. Dinkelberg made the mistake of designing buildings and thus adding to the wealth of his country. He should have owned land on which other people desired to design and erect buildings. He might, then, have grown rich on the labor of others.

### FIREPLUGS

Are public services reflected in land values? Listen to this item from *The Los Angeles Times*. "When one plans to build a large residence, one would like to know that there is a fireplug handy, Florence Ryerson Clements, writer, informed the fire commission yesterday.

"She said she bought ten acres on Van Owen Street, Canoga Park, but hesitates to build because the nearest fireplug is half a mile away. Her home in Pasadena burned down, she said, because it took too long to connect the fire hose."

Consider every form of government service, local, state and Federal, and you will see that its presence or absence makes land more or less valuable. Then why shouldn't the land value be collected by the government to pay for the service?

### Public Lands

In preparation for a nation-wide conservation program, President Roosevelt today withdrew all remaining public land from use.

His order, completing that of last November, affects about 1,200,000 acres and puts the final touch on withdrawal from settlement, location, sale or entry of the entire 165,695,000 acres of public domain.—*Los Angeles Times*.

There is an old saying that nothing is certain but death and taxes. Ed Wynn says the difference between death and taxes is that death doesn't get worse every time Congress meets.

To live in the presence of great truths and eternal laws, that is what keeps a man patient when the world ignores him, and calm and unspoiled when the world praises him.—Balzac.

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## ON THE UP AND UP

*Labor* brings us a very interesting bit of news from Washington, news of a kind that the majority of newspapers would not care to print.

"Uncle Sam's workers last week induced Congress to restore the last 5 per cent of a ten per cent wage deduction, and immediately Washington landlords prepared to take the increase away from them.

"Reports were rife that there is to be a general boost of rents on April 1, when the restoration becomes effective, and the Consumers' Council called on Congress to take action to head off the impending gouge. . . .

"Twenty years ago Mrs. Woodrow Wilson was outraged by the nation's unsightly and unhealthy slums, she endeavored to have them replaced with sanitary dwellings. Nevertheless, just this week Mrs. Franklin D. Roosevelt and a number of wives of cabinet officers toured the same slum areas and saw even more sordid conditions than those that shocked Mrs. Wilson.

"The answer is that Washington landlords have been strong enough to head off all housing movements."

And some more of the answer is that the real estate interests, both organized and unorganized, are strong enough to head off any legislation that would change our tax system in such a way that rent gouging and slums would be a thing of the past. The idea that high rents, high land prices and the quick turn-over of real estate are necessary adjuncts to a return to prosperity, is so firmly rooted in the average mind that in all the discussions of recovery plans no mention has been made of the effect that increased purchasing power would have on rents, or whether that effect would, in the end, work for good or ill.

Even labor, itself, with its paid executives, works steadily for one goal—shorter hours and higher pay. Never once does it bother its head about the rent problem. Rent must come out of wages, where else can it come from? Those who propose or oppose pensions say nothing about the rising rents that would follow this increased spending power. It simply doesn't occur to them that labor will be called upon to provide a living for itself, for the pensioners, and to pay

higher rents for both, thus leaving less and less with which to buy the products of labor—which is really the object of the game.

The action of the Washington landlords clearly shows what will take place all over the country when any recovery plan succeeds in definitely raising income. Everyone knows that buildings do not increase in value year after year. Then why should an apartment or an office be more desirable now than it was ten or fifteen years ago? It isn't, but the population has increased and there is greater actual demand for housing now than there ever was before. (Some little boy or girl will here rise to remind us that rents are not as high as they were ten years ago. True, but that is because the income of the general public has been so greatly reduced. It is still a fact that you can't get blood out of a stone. Increase the purchasing power of the dear people, if it is only through largess handed out by Uncle Sam, and see what will happen to the rents.)

This increased demand for housing is actually an increased demand for land. Families that have "doubled up" to save on the item of rent during hard times, will want more adequate living quarters when wages are increased. Rent dare not take too large a bite, or families would continue to live in small quarters, but they will take all that they can without defeating their own purpose. Thus the flow of money will be stimulated and both tenants and landlords will be singing "happy days are here again."

The trouble is, too much of this money is going for privilege, and privilege doesn't produce, it merely allows labor to produce, and then takes away from labor all that it dares. The laborer is no better off than he was before. Science and invention have made it possible for the worker to produce more wealth with the same amount of energy than he ever did before, but he gets less. His cave ancestor didn't have very much in the shape of worldly wealth, comparatively speaking, but he had *all* that he produced. When one of his fellows came along and demanded part of his arrows for rent, he bit the impudent fellow on the ear—or whatever cave ancestors did when such idiotic ideas were proposed. If the cave man found a new and easier way to make arrows or dugouts, he benefited by the new process. The owners of land didn't come along and say: "I see you can make more arrows in a year than you used to. You will have to give me all you make above the number that you are accustomed to keep. Otherwise you will have to get out of that cave, which belongs to me you know, and take your family with you."

Washington landlords have the advantage of their cave ancestors. They know that you can't get off of their land without getting on some one else's.