

TAX FACTS

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THE BRIDGE OF ARROYO SECO

It should be a bridge to dreamland—this bridge of Arroyo Seco, with its graceful arches and sweeping curves. Art and engineering combined to make it one of the most beautiful structures of its kind in the world. Yet, for an ever growing number, it is the bridge of Death.

It is a narrow roadway for the heavy traffic it must bear, but these deaths are not the toll of accidents. They are the sickening plunge of desperate individuals, sixty-eight at the last count, who couldn't "stand this Universe", as William James says. Some well-intentioned citizens, alarmed at this growing figure, have proposed various alterations and safe-guards for the bridge, itself, in the hopes of thwarting the attempts of would-be suicides. These proposals are in line with most suggestions for correcting social ills. They merely cut off one avenue of escape while leaving a thousand others wide open. The bridge of Arroyo Seco is symbolical of the unhappy fate that has come to many all over the country.

In 1933, suicide figures in the eleven largest American cities reached 3,940. Since 1920, suicides in four of our large cities reached a total of 29,260. When the game of life becomes so strenuous that thousands of players can't wait to be taken out, but go of their own accord, it's a pretty fierce game.

The first line of a popular song expresses in words and music what would naturally be the dominant thought in the average mind today: "I love life!" We have been told that self-preservation is one of the first laws of nature. Every bird and beast has been provided with means of defense or escape or with protective coloring. Man has been blessed, not only with a love of life, but with a love of beauty that he may improve and embellish his life, as well as preserve

Yet, he is the one living creature that wondrously destroys life, and that falls so far short of his capacity to enjoy it, himself, that he blows his own brains out.

No need to enumerate the thousand and one inventions and devices and gadgets that have

eliminated much drudgery from home and factory, and the machinery for mass production that has put books and pictures and many artistic ornaments and furnishings within the reach of all. That is, they should be within the reach of all. There is more in the world today to make life interesting, colorful, enjoyable, than there ever was before, and the fact that these things are more easily made and marketed is often given as one reason for present poverty! Well, that's one wrong answer.

The whole situation is absurd as well as tragic. The easier it is to produce things, the more difficult it becomes to possess them. The more attractive we make life, the greater the number of men and women who swallow poison, inhale gas, and jump off of bridges.

In treating this as an economic problem, we do not mean to lose sight of the individual. It is quite proper for philosophers and moralists to call upon man to exert the highest and noblest within him. "If the 'searching of our hearts and reins' be the purpose of this human drama," wrote William James, "then what is sought seems to be what effort we can make. He who can make none is but a shadow; he who can make much is a hero. . . . the objects are sinister and dreadful, unwelcome and incompatible with wished-for things. But it (the heroic mind) can face them if necessary, without for that losing its hold upon the rest of life. The world thus finds in the heroic man its worthy match and mate; and the effort which he is able to put forth to hold himself erect and keep his heart unshaken is the direct measure of his worth and function in the game of human life. He can *stand* this Universe. He can meet it and keep up his faith in it in presence of those same features which lay his weaker brethren low. . . . And hereby he becomes one of the masters and the lords of life. He must be counted with henceforth; he forms a part of human destiny."

Well, that's the general pattern for heroes, and a very good pattern it is, too; but, must we say that the thousands who stepped out were

cowards and weaklings? What would you say of a man who refused to play in a card game because the cards were stacked, or to enter his horse in a race when he knew beforehand that the race was fixed—unless he was interested in that kind of a game? You'd think he was a fool if he did, wouldn't you? Surely, a man ought to be given a chance to win before we censure him for losing. Is a man a coward because he objects to being placed in a situation where he knows the elements of danger have been planted?

That is what we have done with the game of life—made it a sure thing for some and a cold deck for others. We have refused to recognize the rules God made for us, and have tried to set up a system of our own, a system that is as rotten as any gambling joint that ever was operated.

As privilege is based on injustice, it can't very well be dealt by lily white hands. It may go to a small house of ill repute, to a transportation company, or to the pillar of the church, who is, on week days, the guiding spirit of a steel corporation, still wearing the tariff props of its infancy. Good government? Clean politics? What d' you mean, clean? Don't you know that some of the best citizens in town have an understanding with the powers-that-be regarding their tax bills? It is very important to them that the men in office be not too intelligent nor too scrupulous. And, when men are crooked about one thing, they are likely to be slightly bent in other matters.

We maintain a social order in which some are given the privilege of taking toll from the labor of others without rendering equal service or goods in return. Every time the worker, in white collar or overalls finds his power of production increased through the use of machinery or the growth of personal knowledge and skill the lords of privilege extend their itching palms and relieve the laborer of all they dare—and they dare much.

The vast majority of those suffering from this injustice do not understand just what it is nor how it comes about, but they feel vaguely that there is an injustice and that it has robbed them of their chances to get on in life; that no matter how hard they try, for them the race is fixed—hence, the thousands of suicides every year, and most crime results, directly or indirectly from the same cause.

We have made it so difficult for the majority to earn an honest living, and have made it possible for the privileged class to flaunt such extravagant standards of living, that most people don't know when they are playing fair and when they are not, and they don't care. They love life. They want bread and they want cake. Why not? Some have it.

The differences between man and the lower animals are numerous and obvious. One of the most striking characteristics peculiar to man, is laughter, and if you'd like to know how badly folks want to enliven this drab existence with laughter, listen to some of the jokes that send studio audiences into gales of merriment. Life, liberty, and the pursuit of happiness! The most intelligent and industrious often pursue that elusive damsel for a whole life-time without overtaking her.

When that condition known as a business depression first makes itself felt, men begin clamoring for jobs as if they much preferred toil to a life of ease. Of course they don't. Only a few people, who are genuinely interested in their occupations, would work even if they could get what they wanted without it. The longer a depression lasts, the more people we find trying to convince themselves and others that someone, usually the state, which is everyone, owes them a living. They have always wanted, often tried, to get something for nothing, and at last they seem to have a good excuse for demanding it. From chain letters to fantastic pension schemes, they try, desperately, to climb into the seats of privilege, and live on the labor of others.

There are two ways of achieving this lordly status. One way is to own chattel slaves. A slight difficulty arises. Many would like to be masters, but if asked to mount the auction block or be sold down the river, most of us would decline with thanks.

Since no one can live without using the earth, inter-stellar rockets being still in their infancy, a very satisfactory alternative to personal slavery presents itself. Own as much land as you can get hold of, and make others pay for the privilege of using it. The privilege of owning the value of the land and thereby taking away part of another's production in what John Z. White calls "private taxes"—this privilege is the old granddaddy of them all.

Matters would be helped considerably by abolishing tariffs, licenses and patents as we now employ them, but as long as this basic privilege remains and continues to take its toll from labor we shall have the rich growing richer, and the poor sinking more hopelessly into poverty. No amount of tinkering with our present set-up can bring real social security or assure to every man the prosperity and contentment that are rightfully his as long as the land problem is considered only as an agricultural problem.

Suppose we revise the rules of the game and make it a square deal before we try to pick the heroes or spread nets to catch the weaklings who jump off of bridges. A woman in one of our California cities left a note, saying: "I love life, especially now when the economic experiment that is being played in every country

on earth is so interesting, but I cannot pay for my seat in 'earth's opera house' and must vacate."

This sort of thing does not speak well for our vaunted freedom and democracy. The introduction of labor-saving machinery should have meant increased leisure for everyone. It should have meant more of the good things of life, a higher plane of education and culture for all. Life should be so rich in constructive thought and action, in work that is stimulating, rather than soul-destroying, so full of the joy of being, that we would not willingly cast it aside, but rather, play the game out and retire from the field when our day is done, tired, but happy, with gray heads, but young hearts. This part of our experience should be but the fair beginning and well laid foundation for a fuller, nobler life in some higher, better sphere. It is difficult for "spiritual self-seeking pure and undefiled" to take root in the sordidness which, even now, envelops and permeates many lives.

Play fair; give all, not some, an opportunity to try their strength; give every man a *chance* to win and let him work out his own salvation. We may, then, safely leave to the traveler, the ridge of Arroyo Seco.

PANACEAS

The *Los Angeles Times* calls attention to some of the reform movements that have had their inception in California. In their rise and fall, they very well illustrate how man's love of power, his greed that is almost childish, his desire to escape from regular, unadulterated work, though he will sweat blood to effect some scheme that promises something for nothing—how these elements in human nature give rise to rosy-tinted dreams that promise economic salvation, and, at the same time, shatter those dreams as soon as they gain enough followers to accomplish anything at all.

"Inside" information is valuable only as long as it is inside. When it gets outside, it isn't worth anything. Privilege is effective because it is in the hands of a few. You couldn't spread it out over the whole populous and obtain the same results, for the same reason that we couldn't grow rich by taking in each other's washing.

Not all, but probably the majority, of social reform movements originate in the minds of men who honestly desire to help the great mass of humanity that is struggling against such odds. Not having a clear idea of what causes the trouble, of what constitutes "economic stability", these idealists evolve very attractive and wholly impractical schemes for ending poverty.

While the idea is young, it prospers. Its adherents work feverishly to "put it over". The leader surrounds himself with aids that grow more covetous and less disinterested as the circle

widens. These individuals soon learn what the lords of privilege knew all the time—that the power to command the labor of others is a privilege that can be enjoyed and controlled only when it remains in the hands of a few.

When this becomes evident, factions form, struggles for control, particularly for the treasury, develop, and the fight waxes hotter as the treasury grows fatter. Very few people are interested in a plan that does not promise something for them, personally. It is this promise of immediate benefit that brings members in droves and contributions that gladden the heart.

"Generally it is along about here," says the *Times*, "that the serpent gets into the new Eden. The movement has become too big and scattered for the plan's originator to hold in line personally. Various sub-bosses to whom power has been delegated get ideas of their own for doing things better or more profitably. They form little factions to challenge Caesar. The dissatisfied begin to ask questions, usually about where all the money is going or why the promised results are not forthcoming. Presently the lid gets too hot to sit on and the No. 1 man finds himself with a first-class civil war on his hands. Secession after secession from the parent organization ensues, each split-off setting up in business for itself, until presently everybody is a general and there are no privates left."

As soon as a reform movement finds it necessary to go into court, you may know it is the beginning of the end. Is there no hope, then, for suffering humanity? Yes. But it lies in the slow, unspectacular growth of social conscience; the understanding of basic economic principles. There have been hundreds of panaceas just as there have been hundreds of get-rich-quick schemes masquerading as legitimate business, and we don't know of any infallible recipe that will keep humanity from buying gold bricks or sending dime letters or betting in a poker game.

Go ahead and enjoy yourselves, but keep saying: "I want everything that I make, whether it is some tangible article that grows in my garden or workshop, or whether it is a part in some greater division of productive labor, and is represented by the dollar I have earned balancing books or standing behind a counter. At the same time, I am equally desirous that every other man should possess all that *he* produces. I will not allow any man to exploit my labor, and I will not seek to exploit the labor of anyone else." It is that last line of the creed that makes the trouble. We are all agreed that we don't want *our* labor controlled—not so sure that we couldn't use a nice little privilege, ourselves, that would force someone to perform our disagreeable tasks.

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PUTTING ON THE DRAG

So much conflicting testimony leaves us in doubt as to whether we are still going down hill, or have crossed the floor of the valley and started up grade. Newspapers are talking about increased business, while unemployment figures still loom large. However, the gentlemen at Sacramento are taking no chances. Up or down, they are going to put the drag on the wheels of industry and see that California, at least, is not catapulted into prosperity by any unwonted speed of recovery.

The Legislature became so hopelessly entangled in its own proposals, that a tax steering committee was appointed, and, after three weeks of fasting and prayer, or whatever it is that tax committees do instead of think, they emerged with this program:

Transfer of automobile taxes from the counties to the State, \$18,000,000.

Sales tax increased to 3 per cent with food-stuffs exempt, \$35,500,000.

Sales tax at 3 per cent on leased and rented personal property and in storage, \$4,800,000.

Spirituos liquor tax at 80 cents per proof gallon, \$9,000,000.

Increase in bank and corporation franchise tax, \$17,000,000.

Personal income tax at 20 per cent of the Federal rate, \$18,000,000.

Inheritance tax, rates at the 1927 schedule, \$3,000,000.

Real estate transfer tax, rate of 1 per cent on considerations paid for the equity, \$6,000,000.

Additional tax on trucks, \$2,000,000.

Increased liquor license fees, \$2,000,000.

Of this amount, \$91,000,000 would balance the budget and \$24,000,000 would be used for unemployment relief. "The committee suggested a special session of the Legislature be called next February to permit re-examination of how the suggested taxes are working and to make any needed adjustments. There is a growing feeling that the upturn in business will produce more revenue than now estimated, permitting adjustments at the later date."

This last comment is a frank expression of the intent and purpose of the taxing body; and it is

the jist of all tax programs that propose to levy taxes on the goods or on any of the operations of industry. As business struggles out of the depression and production becomes greater, the State will confiscate more and more of these earnings. Buying has been at a low ebb for so long it is generally recognized that there is great need for more goods to replace worn out and obsolete articles and furnishings, buildings and machinery.

If we can once get the magic wheel to turning again—greater demand for goods, more employment, increased purchasing power, and, again, greater demand for goods—each time this wheel of industry revolves, the State will take its toll in taxes as we used to snatch rings on the merry-go-round.

We tax dogs to discourage too great a dog population. We tax houses, ostensibly to raise revenue. We have a different purpose in view in the two instances, but the result is the same. Surely, no one would deny that if all taxes were removed from the products of industry, prices would be lower and goods would be produced and marketed much more freely. What artificial code or act of legislature could equal this simple and natural method of stimulating industry?

This plan for squeezing money out of production would provide money for charity, the committee is counting on \$24,000,000, but it would do nothing to correct the basic evil that causes unemployment. Anything that slows down industry is bad for employment. Any tax program that "lightens the tax load on real estate" is bad for employment. There are two vacant lots next door, each one fifty by one hundred and seventy-five feet. In appearance, they present a good imitation of a jungle, overgrown with wild oats, mustard, anise, wild tobacco and similar botanical specimens that no one but Mother Nature seems to be interested in. By and by the city will send a group of men with scythes and grub hoes and firebrands to clear off this growth because, in the long dry season, it will constitute a fire hazard. Otherwise, that much work wouldn't be done on those two choice lots. And that is *all* the work that has been done there for years out of number.

No, vacant lots do not provide jobs worthy of the name. They are not good shelters for houseless folk, and they are not good customers for grocery stores or furniture factories. Any tax system that encourages the vacant, or poorly improved, lot industry, is a prime factor in keeping men out of work. The tax steering committee has centered its attention on obtaining revenue. Never mind where we get it, just so we get it, get as much of it and in any way that the public will stand for. Not one thought have these worthy gentlemen given to the effect that any given method of taxation would have on the general public welfare.