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THE AMERICAN ECONOMIC LEAGUE

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GRANGE VIEWS ON TAXATION

The National Grange, in session at Boston, adopted resolutions bearing on taxation which deserve attention. The resolutions state:

"We favor the enactment of a law that will secure a fair and equitable taxation of bank property, whether personal or real, upon the basis that other property is taxed."

"For state and national purposes we favor an adequate and equitable system of income and inheritance taxes as a source of permanent income."

"Excess profits, luxury and exercise taxes afford just and equitable methods of meeting unusual governmental expenses."

"All taxes should be levied so as to encourage home owning and to discourage speculation and tenantry, so far as sound public policy will permit."

"The Grange opposes a general sales tax because in effect it is a consumption tax and adds an unfair burden to all purchasers without references to their ability to bear the added burden."

This program is far from being altogether clear, and to the extent that it is clear, is not altogether sound. Such expressions as "fair and equitable," "adequate and equitable" and "just and equitable" are practically meaningless so long as there is nothing to show what these farmers consider the proper principle to which all taxation should conform. Probably no banker will dispute—in public at least—that there should be "a fair and equitable taxation of bank property 'upon the basis that other property is taxed.'" Nevertheless it is also probable that there would be a very wide divergence of opinion between the Grange and a Bankers' Association concerning the provisions of a law designed to tax bank property. If the Grange holds that in order to be equitable, proposed taxes should not fall on any income or prop-

erty honestly earned by the recipient or holder, then it stands on solid ground. If it would levy heavy taxes on unearned incomes and on the value of property not rightfully owned by the holder of title thereto, then it is on the right track. Taxation so levied would not only be fair, but would be a boon to the working farmer and all other wealth producers.

The Grange is both clear and correct in its opposition to the sales tax. It offers a sound objection that such a tax adds an unfair burden on all purchasers. It is strange that it does not see that the same applies to every tax levied on labor or labor products.

The endorsement of taxes to encourage home-owning and discourage speculation must either mean a land value tax or nothing at all. To encourage Home-owning the cost of dwellings and of everything that goes into them must be reduced and home sites must be cheapened. Houses, household goods and household supplies cannot be cheapened by levying taxes upon them. They can be cheapened by exempting them from taxation, and the exemption should begin with the production of raw material for their manufacture and extend to machinery and other capital essential to production. To cheapen home sites and to discourage tenantry, speculation must be discouraged, as the Grange suggests. To accomplish this, a land value tax is necessary. It is fair to presume that the Grange delegates who passed the resolutions were aware of this, but preferred that it be made known in the course of discussion.

"REEL" AMERICANISM PROPAGANDA

Propaganda productions have been unwelcome to moving picture producers until very recently. "People go to the theatre to be entertained. They don't want to be lectured," has been their argument. But now this attitude is changing. The National Association of the Motion Picture Industry has an "Americanism Committee" to push production of strictly propaganda pictures. The committee's idea of "Americanism" is an unquestioning, docile acceptance of economic conditions as they are, and an irresistible inclination to indulge in unrestrained violence toward all who would better them. The committee believes furthermore that this is the spirit that Congress wishes to propagate, for the Publicity Director of the Metro Pictures Corporation of New York City puts at the head of his announcements to the press that the work is "in co-operation with the Congress of the United States."

It takes at least two to co-operate. So, according to the Metro Pictures Corporation, Congress is co-operating in a burlesque performance. For instance, one of the plays, entitled, "Strangers Beware," has for its hero the familiar libelous stage caricature of an Irishman who spends his spare time about a pool room, but one evening attends a mass meeting at which a lecture is announced on

"Why there is so much poverty in America." His sweet-heart is worried about his going to so "dangerous" a place. Later in the evening she passes by the hall, and noting a disturbance inside, calls the police. The officers find that the hero has singlehanded thrashed the entire audience. His excuse is that "these thievish foreigners were knocking America."

The play may portray an example of real Americanism, but certainly not of the real article. If Congressmen are co-operating in efforts to discourage discussion of the cause of poverty in America they ought to tell their constituents so. Since a majority of these constituents are poor, they ought to warn them that such discussion renders participants liable to the charge of "knocking America" and to the penalty of physical assault by any ignorant hoodlum. If it is not true that this propaganda is in co-operation with Congress, then there should be a congressional investigation of the "Americanism Committee" to determine whether some financial interest, not otherwise connected with motion pictures, is not responsible for such productions. An interest which objects to free discussion of the cause of American poverty must be profiting from economic misfortune of Americans.