

CHARGE TO GRAND JURY OF COMAL COUNTY

2-259

MAY TERM, 1962.

All the advice a father may give his son about following the golden rule, and that honesty is the best policy, will be of no avail if the father does not follow these precepts; if he himself does not set a good example. The same holds true of the State. So long as the State violates and encourages the violation of the commandment, "Thou Shalt Not Steal", the crime of theft will not diminish.

How is that possible? How does the State commit theft or encourage it? The answer is plain and simple. But the very statement appalls people and makes them think that it cannot be true. Some of our greatest philosophers, including our own Susanna K. Landers, recognized as the foremost one in the world, says that one of the most difficult things to analyze is the obvious. But she says there is no reason why a clear mind cannot follow the obvious by applying commonsense, and I think we should add that it takes real moral courage to follow the truth when it runs counter to the habits and customs of many centuries.

A great man said, that there is only one solvent that solves the social problems, and that is, "Truth".

The truth which I deal with here will be denied by no one, namely, that land, the earth, is the gift of Nature to all mankind. By land, is meant the surface of the earth and everything above and below. It is the bounty of the Creator of the Universe. In the beginning it is free to all men. But as population increases and with it come social services, such as roads, streets and schools, fire and police protection and many other public services and all these paid for by the people, all



J. R. FUCHS

of them join to create and increase the value of Nature's gift to man--the land.

And do the people get the benefit of what they created? No, Never! The State--organized society--has by laws marked land "private property", and therefore the revenue--the rent--belonging to the people, because created by them, goes into the pocket of the man who by man-made law calls himself the owner.

Thus the State participates in legalized misappropriation--legally right--but morally wrong. In other words, the community created values attached to the land are harvested by the one who by man's law holds title to the land.

It should now be clear, that if the State collected this economic rental value of the bare land--call it taxation if you wish--then as a result the State could abolish all the taxes on the improvements on the land. Not only that, but the State could repeal all oppressive person-

nal property taxes, and best of all abolish the socialistic income tax, which is denounced on every hand. Manifestly it is rent, and only this rent, (which has nothing to do with house rent, which is interest) that belongs to all of the people, but because we allow government to permit its private appropriation, we force government to confiscate the fruit of man's work, by taxation. There you have a form of communism (and I do not use it as a swear word).

Pragmatism, or the practical application of this system, demands that possession of the land for use--mind you, for use--must be granted, and protected but none can hold it for speculation as he can under the present inadequate tax.

The cry is for, "New Frontiers!" The system here proposed will re-establish the old frontier, based upon equity and justice. The New Frontier of the New Deal, Fair Deal, and the Present Deal, lead to more and more "Benevolent Government," which is but a charitable name of a socialistic government.

All over our fair country, we have organizations and societies which deplore the present trend; they virtually tremble with fear, but I have yet to see one that recognizes the basic economic maladjustment which I have tried to point out. In one sentence, this wrong can be described by pointing out the fact that government now confiscates, through taxation, such as the Income and Sales Taxes of varied kinds, the wealth created by Labor and Capital, but leaves to favored individuals the "unearned increment" of Mother Earth". As long as we do this, we will not stop communism and the ideology of communism in our own country.

You cannot indict a whole people--no more than you can indict the State, but we as individual citizens can enlist in the cause of freedom and liberty, by joining the forces that fight for the application of the above Truth.

Even the beneficiaries of the present system, who will temporarily be financially hurt, will benefit in the long run. It is only when people dare to take large steps that a nation leaps forward.

Just a few of the benefits. First of all, it will exert a great moral uplift; in that it will make people realize that they owe their right to the land as one of the greatest gifts of Nature, and not as a grant from the State; that no power can grant it "forever", but that we the people are mere "sojourners"; that it will sound the death-knell of the innocent looking but in fact, the most nefarious gambling of all--the trading in land, condoned by both Church and State. It will help to increase the middle class. Those who now speculate in land will cease to do so, as there will be no more profit in it. By that I do not mean that these are less moral than the rest of the people who work for a living, but they will be compelled to turn their talents and devote their time to noble and constructive pursuits. Moreover, all the temptation to deceive and conceal and even defraud will be destroyed; the friction between Capital and Labor will end. As a final result, crime will decrease.

I attach hereto, as a part hereof, quotations from some of the great men of many countries. They say so much better than what I have so feebly tried to do.

Respectfully submitted,
J. R. Fuchs, as District Judge of
the 22nd Judicial Court of Texas

MANY GREAT LAWGIVERS AND ECONOMISTS HAVE SAID LANDED PROPERTY IS DIFFERENT

Moses (1400 B.C.): The land shall not be sold forever; for the land is Mine; for ye are strangers and sojourners with Me. Leviticus XXV.

Baruch Spinoza (1632-1677): The whole soil should be public property.

John Locke (1632-1704): God gave the world in common to all mankind. Whenever, in any country, the proprietor ceases to be the improver, political economy has nothing to say in defense of landed property. When the "sacredness" of property is talked of, it should be remembered that any such sacredness does not belong in the same degree to landed property.

William Blackstone (1723-1780): The earth, therefore, and all things therein, are the general property of all mankind, from the immediate gift of the Creator.

Adam Smith (1723-1790): Ground rents are a species of revenue which the owner, in many cases, enjoys without any care or attention of his own. Ground rents are, therefore, perhaps a species of revenue which can best bear to have a peculiar tax imposed upon them.

Tom Paine (1737-1809): Men did not make the earth---It is the value of the improvement only, and not the earth itself, that is individual property---Every proprietor owes to the community a ground rent for the land which he holds.

Thomas Jefferson (1743-1826): The earth is given as a common stock for men to labor and live on.

John Stuart Mill (1806-1873): Landlords grow richer in their sleep without working, risking, or

economizing. The increase in the value of land, arising as it does from the efforts of an entire community, should belong to the community and not to the individual who might hold title.

Abraham Lincoln (1809-1865): The land, the earth God gave to man for his home, sustenance, and support, should never be the possession of any man, corporation society, or unfriendly government, any more than the air or water, if as much. An individual, or company, or enterprise requiring land should hold no more than is required for their home and sustenance, and never more than they have in actual use in the prudent management of their legitimate business, and this much should not be permitted when it creates an exclusive monopoly. All that is not so used should be held for the free use of every family to make homesteads, and to hold them as long as they are so occupied.

Herbert Spencer (1820 - 1903): Equity does not permit property in land---The world is God's bequest to mankind. All men are joint heirs to it.

Leo Tolstoi (1828-1910): Solving the land question means the solving of all social questions---Possession of land by people who do not use it is immoral---Just like the possession of slaves.

Henry George (1839-1897): Our primary social adjustment is a denial of justice. In allowing one man to own the land on which and from which other men must live, we have made them his bondsmen in a degree which increases as material progress goes on. It is this that turns the blessings of material progress into a curse.

Dr. Sun Yat-Sen (1866-1925): The (land tax) as the only means of supporting the government is an

infinitely just, reasonable, and equitably distributed tax, and on it we will found our new system. The centuries of heavy and irregular taxation for the benefit of the Manchus have shown China the injustice of any other system of taxation.

The late United States Senator, Morris Sheppard of Texas, referring to land said, "Use is the only muniment of Title".

EXPLANATORY OBSERVATIONS IN RE: THE COURT'S CHARGE

My explanation will come in the form of answers to questions which are often put to me.

FIRST: How will you change over to the new system you propose?

I would advise that it be done gradually. If you are going 60 miles an hour and in the wrong direction you cannot make an abrupt turn. Step by step, reduce the taxes on all improvements and all moveable or personal property. And if we do this, at the same time increase the tax on the land, not including the improvements.

SECOND: Would the land value tax, or the collection of the rent of land, produce enough revenue for the necessary governmental purposes?

I believe it would, because I feel that 180 million people will pay enough rent for this territory, this land, this part of the earth, known as the United States to pay for all the needs of the Government. Remember that this "land" we speak of includes all the farms, the rivers, the lakes, the oil fields and all the mines; in fact, all natural resources. But be that as it may, in any event, we should first take that which belongs to all the people before we resort to other taxes. If I owe you money I should not use the excuse for my non-payment that it does not satisfy your particular wants.

Incidentally, but of great importance is the fact that under the proposed plan, governmental affairs will be immensely simplified. It would remove the duplicity and duplication from our private business affairs; just visualize the billions of dollars now spent to keep the records for, and make the Income Tax reports.

THIRD: Is it fair to exempt a large stock of goods, or a million dollars someone has lying in the bank?

First of all, you cannot tax goods and money. You merely raise the price and the interest to the consumer. We pride ourselves in being capitalists, but in truth we are not; for we confiscate capital on every hand.

Goods and money hurt no one, but idle land which labor needs before it can go to work does hurt.

FOURTH: Is it not unjust to tax only one kind of property?

True, if you put land, not created by man and which man cannot create, in the same category as man created property. (I refer anyone further interested to the House and Home issue of August 1960; which devotes 67 pages to the discussion of Land Value Taxation.)

Moreover, just like every one contributes to the value of the land, so every single soul helps to pay this tax on land value, or land rental, for the obvious reason that they all need land and cannot live without it. The people, all of them, buy the products that come from the land or are manufactured on the land and from these receipts the users of the land pay the rent to the government. Hence, no one single person escapes paying his share of the governmental expenses.

By creating access to land and exempting personal property from taxation, competition in goods is created to the benefit of all consumers--all people. Thus the

wholesome law of supply and demand, now destroyed by law, will be re-established.

When people think or speak of Land, they immediately think of it as being in the country. It is true that in quantity or number of acres, there is more land in the country but not in value. They forget that every building has land for its foundation. And it's really not land at all that we are taxing but land values. There is a big distinction. Land values are always highest where the people are congested; in plain language, "where they are piled up". It is there that the intangible values are attached to land, and created by all the people. As a matter of fact, the country people will pay less taxes under the system I propose than now. True, they may pay in dollars and cents as much as they do now but they will not pay the hidden taxes which merchants and manufacturers pass on to them.

FIFTH: Who will want to own land if that is the only thing you will tax?

People want land now when they pay, not only some taxes on land, but in addition pay on all their improvements, such as houses, and in the rural areas on windmills, tanks, fences, clearing, grading and all other additions and conveniences. It must therefore be clear that if everything but the land is immune from taxes that people will be anxious to obtain land for useful purposes; but they will not want it for speculation, if they are compelled to pay the full value whether they use it or not, but are merely keeping someone else from making use of it.

I know something, first hand, about the attachment to the soil. I was once a barefoot boy on my father's ranch in Blanco County. Every tree, every rock, all the

creeks, valleys and hills were dear to us; they were a part of us. It was the attachment which exists between man and nature; there is none stronger or more durable.

Today I could take you to many trees where our hounds treed the raccoon, straight to the spot I could go. There, with the help of my oldest nephew, Hugo Fuchs of Blanco, I trapped the largest timber wolf ever caught in Blanco County, if not the State of Texas. I am sure the old Live Oak still stands on which the old wild cat, that had been the marauder among our turkeys and lambs, finally sought refuge after having been chased for hours by our dogs, with old YOU KNOW in the lead. "The past rises before me like a dream: I see the old water holes in which we fished and swam; again I follow the flight of the bee until I reach the hollow tree where it deposits its heavy laden sweet burden; I see the valleys and the hills; I love the open green flats and also the brushy places that afford protection to the wild game. Again I gather flowers for our dear old mother. I knew where the prettiest wild flowers grew. I was then in my teens and I was careful to let no one see me lest I be considered a sissy.

What has become of this attachment to the old homestead? One of my brothers who occupied most of it, found that with taxes on goats, sheep and cattle and everything in and about the place, together with an income tax, and the ever increasing price of land, he would be better off to sell the place. When some years ago he received \$40.00 an acre the neighbors said, "that is twice as much as it is really worth." Then a few years later it was resold for about \$75.00 an acre and recently it brought \$100.00 per acre.

Speculation in land aided and abetted by our present tax system

has all but destroyed the small farm and ranch units. Last year, 1961, over five million people moved from the rural areas to our ever growing and congested cities. There they compete for starvation wages, while on the little farm they at least had eggs, milk and sometimes honey and corn.

While the experiences I tell about are partly personal, they can be duplicated and multiplied thousands of times in the State of Texas, and millions of times in the United States. All the farm aid is futile as long as we maintain our archaic tax system. Untax the farmers and leave them alone, they will take care of themselves.

SIXTH: Then you think the system of taxation you propose will just about solve all our problems?

I think nothing of the kind. There is no such thing as a cure-all. We do not claim perfection, but we do claim that it is the first great step in the right direction and will make the solution of all other social problems easier.

SEVENTH: What can we, the Grand Jury do about this matter?

You cannot change the law but you can refer the charge and these explanatory matters to the Legislative Department of Government. That is your constitutional right and perhaps also, your duty. They, in turn, can refer it to the people in the form of an amendment to the basic law of the State. Then everyone has a right to vote as he sees fit.

I wish time permitted to quote at length from Sir Edward Coke, England's great Attorney General, who narrowly escaped losing his head for opposing the King's power; and from Sir William Blackstone, England's greatest commentator on the Common Law; and also from our great constitutional lawyer, Mr. George Mason of our Revolutionary days. Suffice it to say that each one of

them strongly supported the proposition that, any law in conflict with the Natural or Divine Law is VOID.

In and out of season, we like to quote the statements; "Equal rights to all and special privileges to none," "That government governs best that governs least"; and "Local self-government is the bulwark of our liberty."

The system here proposed in my charge will do more than anything else to put into actual practice the great principles embodied in the above statements.

J. R. Fuchs, Judge
22nd Judicial District
Comal County, Texas

The Grand Jury's Report reads in part as follows:

"The Grand Jury has considered and discussed the study presented by the Honorable J. R. Fuchs. It believes that the study represents a careful consideration of the various facets of the subject over a period of several years by a person of considerable experience and judgment and therefore, his views and recommendations deserve consideration and possible action by the State Legislature."