

LEGISLATORS MEETING IN HARRISBURG:

Will you take the responsibility for cutting the wage of every worker in Pennsylvania?

We ask that question sincerely and respectfully. We ask it of a Legislature that has time after time demonstrated its ability and eagerness to legislate for the benefit of men and women who work for a living. In view of this, we do not believe that there is a single Senator in Harrisburg who would give second thought to a bill which he knew would cut wages in Pennsylvania.

We refuse to think that the Senate, now in session at the State Capitol, realizes that the Store Tax Bill, to which it is giving consideration, would have the effect of cutting the wage of every worker in this State.

We ourselves realize it, because many of us who are signing this article are in the retail food business. We deal with all classes of wage earners in our stores, year in and year out. Day after day we see that one-third of our population which is "ill-nourished, ill-clad, ill-housed"—thousands who first count their pennies, then hesitate between buying a loaf of bread or a bottle of milk. They cannot always afford both.

To such people even a slight rise in the cost of food means a very large cut in wages. There is no difference between reducing a family's wages a few dollars, and raising its cost of living a few dollars. Either way the family must buy less food, less clothes, and must live in a poorer home.

If the Store Tax Bill, which the Senate is considering, is passed, retail food prices will have to go up. In effect, this will be a cut in wages for every family rich or poor in the State. Of course, the well-to-do can bear a small reduction in income and suffer little more than inconvenience or annoyance, but even the slightest cut in the wage of the majority of our citizens would mean disaster to them. The Store Tax would reduce the wages of those who could least afford it.

The Store Tax Bill proposes an enormous tax on each store in a chain, although chain stores already pay local, State and Federal taxes as high if not higher, than other merchants. The tax, if it passes the Senate, would cost each store in the popular chains more than many of their

smaller stores make. There are 3786 small chain food stores in Pennsylvania neighborhoods, not one of which makes enough money to pay its share of the tax this bill would place upon it.

Where then would the tax come from? By slashing our expense of doing business? But expenses are made up of wages to our managers and clerks, and warehouse workers and truckmen; and of rents to local landlords and payments to other Pennsylvania citizens. Would the Senate have us take the tax out of them? We do not think so.

Should it come out of the farmers from whom we buy our food? Pennsylvania farmers will tell you that chain stores are the best customers they have. Must we cut down their incomes to pay the tax?

There is only one way—higher food prices.

The Store Tax, if it passes the Senate, will come out of the wages of Pennsylvania voters.

That, of course, is our side of the story, but we say with all sincerity we believe it is also the wage earners' side. It is unfortunate that a large tax should be placed on food, especially at a time when so many people find it difficult to obtain food even at present prices. The reason given for the tax is to raise the salaries of rural teachers. Nobody would quarrel with that. But however commendable the purpose, must we place an excessive tax on the first essential of life? A tax on food is a tax on every man that lives. Could not the money to raise teachers' salaries come from a source other than from the poor?

We realize as we write that there are some Senators who differ with us honestly and conscientiously, and we know that every Pennsylvania Senator will vote on the Store Tax according to his best judgment. The record of this present Senate proves that.

But, if the Store Tax Bill becomes a law, and the wage earners of Pennsylvania feel the pinch of lowered real wages, we hope that the Senators now in session at Harrisburg are prepared to accept the full responsibility.

*Reprint of Editorial from
Philadelphia Evening
Bulletin, March 22, 1937 :*

PENAL TAXATION

The "Chain Store Tax Act," House Bill 228, makes no pretense of design or purpose as a revenue measure. Dedication of its proceeds to the State's education fund, where it is expected to increase teachers' salaries, is an afterthought. This feature of the bill, which appears to have converted Governor Earle to an endorsement of it as an Administration measure, has no more to do with the real purpose of the bill and its merit or demerit than the proposed gift to the school funds of the State's rake-off from pari-mutuel betting has to do with the legalizing of race-tracks and their betting rings.

The law was designed purely to handicap the competition of "chain stores," the theory of the bill being that the larger the chain, the more stores operated under single ownership, the greater the economy of operation, and therefore the warrant for the imposition of the greater handicap in tax, or weight to be carried. On this essential theory of the bill, it would appear that its purpose is to overcome or balance an advantage possessed by chain store operation, by adding a tax to the cost of such operation. That tax must have its effect on chain store prices, if it is to affect competition as a handicap should.

There may be a logical plea in behalf of the individual merchant against the inequities of chain store competition. But over against that must be set the obvious plea of the consumer, customer, who, in the present trend of rising prices, has a right to buy in the lowest market and a right to protest against legislation which will, deliberately and arbitrarily, handicap that low market and bring an increase in its price level.

A member of the Legislature may choose to stand with the group of individual merchants who think they are to be benefited by the chain-store tax, or he may stand with the large number of consumers who know they are to be hurt by it and protest. But no one can dodge the vital issue presented in this bill and stroke his chest in contented thought that he is voting some extra salary for the poor, forgotten, public school teacher.

- AMERICAN STORES COMPANY Pennsylvania
- A & P FOOD STORES Pennsylvania
- CASSEL'S STORES Reading, Penna.
- SHAFFER STORES COMPANY Altoona, Penna.
- WEIS PURE FOOD STORES Sunbury, Penna.
- KROGER GROCERY & BAKING CO. Pittsburgh, Penna.
- P. H. BUTLER COMPANY Pittsburgh, Penna.

• This is the third in a series of articles which we are publishing to explain the Store Tax Act to the voters of Pennsylvania.