

WHO RUNS ALABAMA?  
or  
WHO STOLE THE TAX MONEY?

As the uproar about Selma, Alabama, dies down and the television cameras, the marchers from the North and the National Guard troopers go away, we who are still stuck with the problem of getting the vote and fighting poverty in Alabama must wonder why all of the brutality and terror happened. Who is responsible for the deaths of Jimmy Lee Jackson, Rev. Reeb and Mrs. Liuzzo and all the others who have died before them?

A policeman is merely an employee who can be fired, and a sheriff or a governor can be voted out of office. Who stands behind them, who are the people who put racists into these offices in the first place? The answer is that they are the businessmen, the bankers, who come together in the White Citizens Councils and the Chambers of Commerce. For the most part they work behind the scenes so that the public can't see what they are doing, so that the public will blame the police and the governor instead of the men who really have the power to change things.

Once in a while they come out into the open, when they think their henchmen need more support. For instance, the officials of the Liberty National Life Insurance Company of Montgomery gave the police of Selma and Dallas County and local state patrolmen a barbecue banquet in December last year, not long before the latest series of demonstrations and killings. Then during these demonstrations, the Hammermill Paper Company, one of the nations biggest papermakers, announced that because of the "fine reports" it had gotten about the "character of the community (Selma) and its people", it would build a \$35 million plant near Selma. Dan River Mills of Danville, Virginia, which we remember for its vicious police brutality in 1963, was already building a textile mill in Lowndes County, a few miles away, and paying the construction workers the minimum legal wage of \$1.25 an hour.

And the DuPont Company was buying a vast amount of timberland in the area. An indication of how much support DuPont will give to civil rights is that the company is the largest contributor by far to the Southern States Industrial Council, which has blasted welfare, labor unions, civil rights action, and other popular causes and supported Barry Goldwater, that great friend of the movement, for President in 1964.

Why are these companies moving into Selma? To find answers we must look beyond Selma, to Montgomery, Birmingham, and even New York, Pennsylvania, and Chicago, for the men who control the biggest factories (and the most jobs). And we must look to Washington, D.C., for federal tax money, provides part of the funds Wallace is using to attract industry to the state, and half-hearted enforcement of the law and constitutional rights by the Justice Dept. encourages those who do the dirty work of terror, bombings and assassination.

When George Wallace was inaugurated as Governor in 1963, he promised "segregation now, segregation tomorrow and segregation forever". To finance his slick inauguration souvenir program (and we suspect his campaign), companies like Birmingham National Bank and Trust, Montgomery First National Bank and Liberty National Life Insurance Company (friend of the hungry policeman) placed ads in between declarations for white supremacy. Segregation appears to be good business, and so far Wallace has succeeded, more or less, in holding down the fort.

Will the poor people of Alabama benefit by Wallace's program of industrial development? Companies moving into an area often say that they will help to build up the area so that the people will prosper. But almost all of the companies moving into Alabama get a property tax exemption. About one-third of the property tax they would have to pay without this exemption goes to build and equip schools and hire teachers. Now, Wallace has proudly announced that since he has been Governor, various firms have promised to spend some \$700 million for new factories. If they were forced to pay their taxes, like everyone else, they would put about two million dollars into the funds for schools, and four million dollars for other purposes.

This isn't all. If these plants were taxed the way Alabama law says they should be--that is, at a rate of 60% of the real value instead of the usual 30%--they would pay four million dollars for schools to educate the children of the people who work for them, and eight million dollars for other purposes. In other words, the program Wallace brags about so much is keeping six million dollars from the people of the state every year, and local officials who lower the tax rate are costing the people another six million dollars. So far, Wallace has given away at least \$12 million to the wealthy companies he has persuaded to come to the state.

How much is \$12 million? It is more than Alabama will get from the federal program to aid Appalachia, or one-third of the money the state will get from the federal program aid to education program, or over one-half the amount the federal government gives to education in Alabama. It's a lot of money, particularly in a poor state like Alabama.

What will Wallace's program of tax-exemption mean for poor in the Alabama Black Belt? Let's take an example--the \$10 million plant Dan River Mills is building in Lowndes County, not far from the spot where Mrs. Liuzzo was murdered in March.. If Dan River had to pay their taxes, like everybody else, they would put \$100,000 a year into the county's funds for education and \$200,000 into other funds. This \$100,000 would amount to about one-tenth of what the county now spends on education every year. But, of course, they won't have to pay.

If Dan River Mills pays the average wage for textile workers in Alabama, or \$65 a week, they will pay their 200 workers in Lowndes County about \$650,000 a year in wages. But because they don't have to pay taxes, they will take half that amount, or \$300,000 a year away from the county. Now, judging from experience, a big new factory like the one Dan River is building will draw more people to the area. These people will have children, and they will want to put them into good schools. The county's schools could put Dan River's \$100,000 a year in unpaid taxes to good use when there are more children in school.

Alabama already spends little enough on its schools. The state ranks 48th out of 50 states in the amount it spends every year to educate each pupil. Teachers aren't paid very much either--Alabama ranks 44th in the country on that score. It seems that the people of the state can't very well afford the luxury of giving away school money to wealthy corporations like Dan River. But those who run the state do it anyway.

Dan River, by the way, is already getting money from the federal government through the "textile subsidy" program. Last year, the company received \$3,038,000 under this program, which was supposed to save a "poor" and "dying" industry. Thanks to this program, Dan River could boast about an impressive 49% increase in profits, but the company's profits would have gone down \$26,000 without the subsidy. Dan River gets its way with both the federal and state governments, while the people pay.

Where do the stolen profits go? The eighteen men who run Dan River Mills get altogether \$931,000 in salaries every year, or more than \$50,000 a piece. On top of that, they get \$253,580 in stock dividends. More than half of these eighteen men receive salaries from other corporations as well because they serve on the board of directors of more than one company. Compare these figures to the \$300,000 that Wallace's program gave away in Lowndes County. Or compare the figures to the fact that 80% of the Negro families in the county earn less than \$2000 a year.

Now, who runs Alabama? Or better than that, Who is Alabama being run for? Wallace is not a businessman, nor is Sheriff Clark, Colonel Lingo of the State Patrol, Police Commissioner Wilson Baker, or Selma Mayor Joe Smitherman. But they show in their actions that they support the business community. Wallace gives them tax money, Sheriff Clark and Col. Lingo have their men put down workers who are trying to organize unions, and the mayor tries to keep black and white apart so that they will fight each other instead of seeing their common interest as poor people.