

ECHOES FROM THE NATIONAL CAPITAL

(For the Review)

By BENJAMIN F. LINDAS

Aside from the actual conduct of the war itself, the war tax bill now under consideration by Congress is the question of greatest interest to the American people. Scores of speeches have been made about it. A bewildering array of amendments have been tacked on to it, while criticisms and eulogies by the ton have filled the pages of countless journals.

In two speeches, however, C. C. Dill, of Washington, swept away the mass of verbal juggling that had made the bill a Chinese puzzle, and made understandable the motives that actuated it, and results expected from it.

In a speech before the Single Tax Association, (and, by the way, Mr. Dill is a real progressive; thoroughly familiar with Single Tax and believing in it; in his early days helped Tom L. Johnson in his Ohio fights for democracy), Mr. Dill told how he listened to the address of the President to Congress in which the latter said that we should pay for the war as we go; how the seven billion dollars was voted for the war; how the House finally brought in a bill to raise only two billion of the amount from taxes; how three-fourths of this amount was shifted to the backs of the poor, and how the Senate took the bill and removed almost every clause that would be apt to take more than a pittance from those who had for years been howling for the war, and who were already making fortunes out of it.

In a speech before the House on the same bill, Mr. Dill laid bare the hypocrisy still rampant in Congress. He said:

"If we were to tax incomes and excess profits of the American people at the same rate paid by the English people we would raise more than five billion dollars annually from these two sources alone."

He then gave these statistics to show where the war has become a very welcome visitor:

American Smelting and Refining Company, 1914, net profits \$9,271,565; 1916, net profits \$23,252,248.

Armour Packing Company, 1914, net profits \$4,831,793; 1916, net profits \$82,107,693.

United States Steel Corporation, 1914, net profits \$23,496,768; 1916, net profits \$248,034,962.

In concluding Mr. Dill said:

"We could strike out all taxes on consumption. We could raise every dollar needed for the first year of the war by taxation."

All of which plainly shows that if the American people are not very watchful, a million of their boys will be fighting a rich man's war and then have to shoulder a "rich man's tax bill."

OLD OBJECTION ANSWERED

Those Single Taxers who deliver lectures or addresses meet this objection probably more than any other:

"The present generation does not want to go back to the land. Even if they did want to go back, they are without capital, and without capital in this day and age, to plunge into the primeval forest would be suicidal."

Now for the facts that may furnish an answer to these objections.

On June 1st in a letter from the Department of the Interior to Congress, it was stated that in the past few months over fifty thousand applications, covering twenty million acres of land scattered throughout the entire West, were filed under the new 640 acres Homestead Act.

This Homestead Act, as I understand it, made it possible to file a claim for 640 acres on land only fit for forage crops or for grazing.

The machinery for the distribution of this land was not even prepared; neither had the fact been advertised that such land would be open for entry, yet applications for the land poured in from every direction.

It was not the capitalist, nor the rich man, who filed these claims. Said Senator Fall in talking on this matter:

"Three thousand homesteaders have gone with one horse and one wagon from Texas, Oklahoma and Kansas seeking homes for themselves and families. Some of these people hardly have money enough to buy bacon to fry at their camp fires. They are living in the open air with their families, camping under their wagons."

The spirit of the pioneer is not dead. The hunger for land has not been appeased. Make it impossible for land to be held out of use; throw open the inexhaustible wealth of this nation to the real workers, and most of our civic ills would vanish in the twinkling of an eye.

Mr. Brumbaugh, of Ohio, expressed the same sentiment in a speech in the House the other day. I am only sorry that in his excoriation of the food speculators he included only those who hoard the food after it has been produced, and omitted those who hoard the land from which the food must come.

"These speculators in the necessities of life, food-pirates, are striking more deadly blows at our country than any foreign foe could strike. Why make such a fuss about common gamblers in money with loaded dice and cards, and sit supinely while wealthy food-pirates gamble in foods of all kinds—food of which they never have spent one day working on the farm in the noon-day sunlight of an August day to produce or gather to feed the children of mankind."

WASHINGTON IN WAR TIMES

Since the United States entered the World War in April, a wonderful transformation has been taking place in the national capital. Thousands of soldiers have arrived giving the streets a real war-time appearance; thousands

of others have come here to assist in the tremendously increased work of the government; entire office buildings have been taken to furnish room for the clerks, and empty houses are filling up. In addition to this, the lower grades of government clerks have secured an increase in their salaries from five to ten per cent.

What has been the result of pouring these extra millions of dollars into Washington? Have the ordinary workers benefited? Read this from David Lawrence, a New York correspondent:

"The District Commissioners have urged the large property owners to keep down rents. They have threatened exposure

"The rental problem is really serious. It will continue to be so unless there is a recognition by the men who own property that this is not a time to take advantage of their fellow-citizen, but to make sacrifices. It ill befits many of our leading property owners to be conspicuously placed on the donation lists of the Red Cross or other patriotic activities when profits from increased rentals are simultaneously wrung from the poor people of Washington. This is not patriotism, but hypocrisy."

These increased rentals will, of course, mean high land values. Where should this increased value go? Into the pockets of private individuals who have done absolutely nothing to earn it, or to the public whose efforts and expenditures have created it?

Congressman Emerson, of Ohio, has introduced a bill asking for an investigation of rent-raising, and the passage of a law forbidding rent-raising during the war. It would be an ineffective remedy: Tax the increased rental into the public treasury—speculative increases will then cease and natural increases will then go where they belong. This will also be the only way to satisfy the demands of Congressman Purnell, of Indiana, who in his maiden speech said,

"I want to see fatter stomachs on the men with the pick and shovel, and thinner jowls on the speculator who grabs and hoards. I would jail the Ponce de Leon who follows no flag except the one on the windshield of his limousine."

THE INTANGIBLE TAX

I want to relate an incident that happened in Washington a few days ago. This is not fiction, but fact.

A certain individual called at his brokers to renew a loan that was about to fall due. It was secured by a deed of trust on his home, and he had been paying the broker a commission every three years for renewing it. When he called this time he was informed that the charges this year would be about one per cent. higher than they had been heretofore. Of course, there was nothing to do but pay the additional charges. When he returned home that night he discovered that the additional charges just paid the amount of the new intangible tax that became effective this year in the District of Columbia.

I might say that this tax bill was passed for the purpose of reaching the hidden wealth of Washington plutocrats. You can see how it reached them in this instance. The money-lender got the full amount of his interest; the broker got his full commission, while the debtor tightened his belt another notch and shouldered the additional burden.

When will our legislators discover that these nagging, hit-or-miss tax laws never go where they are aimed, and that sooner or later they will be found, like the Old Man of the Sea, clinging to the backs of the poor.

There is only one tax that cannot be shifted and that is the one assessed against the rental value of the land.

LAND VALUE TAXATION IN ALBERTA

OFFICIAL REPORT SHOWS THAT THE SINGLE TAX LIMITED HAS NOT FAILED

The Canadian Province of Alberta has gone further in the direction of Single Tax than any of the Western Provinces, although more attention has been attracted to British Columbia by the complete exemption of buildings in Vancouver. British Columbia was the pioneer, improvements in Nanaimo having been exempted as early as 1873. In 1891, Vancouver was given permission to reduce the assessment on buildings or to exempt them entirely, but the city of Edmonton in Alberta exempted its buildings before Vancouver took such action.

Alberta having first permitted cities to exempt buildings, passed an act in 1911 compelling rural municipalities to raise their revenues by a tax on land values only. This is the furthest step toward the Single Tax plan that has yet been taken over a large area.

Owing to financial difficulties arising out of the war, this act has been amended to permit localities to levy other taxes, and some have imposed business licenses. Hostile newspapers in the United States were quick to seize on this as a demonstration of the "failure" of the Single Tax as a fiscal measure.

From a perusal of the report of the Alberta Department of Municipal Affairs for 1916, it appears that this failure of the Single Tax is, as Mark Twain remarked of the premature report of his death, "grossly exaggerated." The description of the tax system of the Province and some comments contained in the report follow. They corroborate the testimony of the Minnesota Tax Commission report (see Single Tax Review, March-April, 1917), that "while the Canadian system has not been uniformly successful under adverse business conditions, it is doubtful if the old system would have been any more successful under the same circumstances."