

THE SINGLE TAX REVIEW

A Record of the Progress of Single Tax and Tax Reform
Throughout the World.

TAX REFORM IN THE NATIONAL CAPITAL.

(For the Review)

By **BENJAMIN F. LINDAS.**

The city of Washington in the District of Columbia is probably one of the best obtainable examples of the effect upon a municipality of inequitable tax laws and unrestrained speculation in vacant land. With the exception of the venter of beauty from the government buildings, and the wide, shady, well paved streets, and handsome residences of the foreign legations and those of the wealthy, Washington is a city of countless, monotonous rows of dreary houses, with its teeming slums tucked away in the alleys, and with a listless population struggling with high rents and high prices for the necessaries of life. And this, notwithstanding the fact that the government pours millions of dollars into Washington yearly in the form of salaries to the forty thousand employees who earn on an average over one thousand dollars a year. Probably several causes aid in producing this condition of affairs, but it is largely attributable to one undeniable fact; enormous land values, caused partly by the concentration of the vacant and suburban lands in the hands of syndicates and large land owners, and partly by a tax system that heretofore had overtaxed improvements and grossly under-assessed the land. The causes of the conditions existing in the District of Columbia had, for years, been recognized by a number of the public spirited citizens of Washington, but they had no definite organization. In fact, for many years the only organization attempting any real and effective elucidation of the teachings of tax reform was the Women's Single Tax Club of the District.

At different times in the past Congressional Committees have investigated the taxation and assessment system of the District and some of these investigations succeeded in disclosing startling facts as to unjust assessments that threw the burdens of heavy taxation on the small homes, and unfairly discriminated in favor of the land speculators and the big business interests of the city. The most notable of these investigations was the one undertaken by a committee of which Tom L. Johnson was chairman, in 1892, and the

one by the Henry George Committee in 1912. The furor caused by the disclosures of Tom L. Johnson subsided in a short time, but when the investigation headed by Henry George, Jr., again disclosed the gross favoritism in the tax assessment, and pointed so clearly to land speculation as the real cause of the evils of Washington city life, it was determined by the tax reformers of the city to make every effort to spread broadcast the exposures in the now famous "George Report." The result of this determination was the formation of the Tax Reform Association of the District of Columbia. Many of the members of this Association were already well-known in public life: such as H. Martin Williams, reading clerk of the 63d Congress and a Single Tax orator of national prominence; Jennie L. Munroe and Jackson H. Ralston, both members of the Fels Fund Commission; Herbert J. Browne, a taxation expert who rendered invaluable service in the compilation of the "George Report;" Arthur P. Davis, director of the U. S. Reclamation Service; Walter I. Swanton, whose splendid charts really popularized the taxation propaganda in Washington and such well-known Single Taxers as W. D. Mackenzie, George A. Warren, E. J. Dakin, and others.

The Association got down to hard work at once. Circular letters were sent to all the civic bodies in the District offering to send them speakers who would explain the principles of tax reform. The responses were numerous, and during the winter of 1913 and the spring of 1914 about fifty well-attended meetings were addressed by speakers from the Association, including Herbert J. Browne, H. Martin Williams, Walter I. Swanton, W. D. Mackenzie and B. F. Lindas. The interest shown by the citizens at these meetings was more than gratifying; everyone seemed to be anxious to hear the truth about the Single Tax and other fiscal reform measures, and for the first time, the daily papers gave fair and sometimes elaborate reports of these Single Tax meetings. In addition to these gatherings, large public meetings were held jointly with the Women's Single Tax Club to which the general public was invited and where addresses were made by many speakers of national prominence, among them being: Hon. Louis F. Post, Assistant Secretary of Labor; Western Starr of Maryland; Daniel Kiefer, Chairman of the Fels Fund Commission; Hon. George Fowlds of New Zealand; Hon. Robert Crosser, Congressman from Ohio; Hon. Edward Keating, Congressman from Colorado; Hon. Henry George, Jr., Congressman from New York; Hon. Josiah Wedgewood, member of the British Parliament; Mrs. Mary Fels and Hon. Warren Worth Bailey, of Pennsylvania.

While the Tax Reform Association was thus busily engaged in spreading the principles of a just and equitable tax system throughout the District, Henry George, Jr., had followed up the recommendation made in the "George Report" by a bill designed to put into effect many of the reforms that he had suggested. If the bill had passed it would have given the city of Washington the best and the fairest system of taxation in vogue in any of the large cities

of the United States. Strong opposition immediately developed, however, and although Mr. George made a strong and vigorous fight to have it passed just as it had been introduced, the bill was eventually loaded with so many objectionable amendments that Mr. George finally took the floor in opposition to the amended measure and the bill was defeated.

This temporary setback, however, did not discourage the tax reformers of the District. Public meetings still continued to be held as before. The addresses before the civic organizations and other public bodies were made with renewed zeal, and were now supplemented by lectures and meetings throughout the small surrounding towns of Washington.

It is only just to add in this connection that since the publication of the "George Report" two new Commissioners have been appointed for the District of Columbia, both of whom, Oliver P. Newman and Louis Brownlow, have announced themselves as Single Taxers, and a new assistant assessor has been appointed in the person of E. W. Oyster. Mr. Oyster is probably one of the best known and one of the most zealous advocates of the Single Tax in the District of Columbia, and a man of unimpeachable integrity. Since his appointment as assistant Assessor he has directed all his efforts toward the correction of the inequalities in the assessments that had heretofore prevailed. In Mr. Oyster, the District has an Assessor who, not only thoroughly understands the question of taxation from every angle, but one who at all times stands fearlessly by his convictions.

At the present time another congressional investigation into the fiscal affairs of the District is under way. The object of the present investigation is for the purpose of determining just what the fiscal relationship should be between the District and the general government. Since 1878, when the so-called organic act was passed, Congress has contributed one-half of the expenses of the District government. It is claimed by many who have given the matter careful consideration that this half and half arrangement is but a thinly disguised subsidy to the large land-owners of the District and that it is, and always has been capitalized into increased land-values, resulting in high rents and a congested population. It is claimed, in addition to this, that it is the fear of losing this annual donation from Congress that silences to a great extent, a growing demand among the citizens of Washington for the right to select their own officials and to make their own laws. These accusations against the half and half arrangement finally became so insistent that they could no longer be ignored, and the appointment of the present joint investigating committee from the Senate and the House of Representatives was the result. Upon the appointment of the committee an invitation was issued to all organizations or individuals who wished to state their views on this question, to file briefs with the committee outlining their views, which briefs were to be elaborated by oral arguments when the hearings were held in October.

The Big Business interests of the city immediately organized to defeat any change of the sacred "Half and Half." Experts were secured to prepare their arguments, elaborate statistics were compiled and a publicity bureau kept the public continually advised of the strenuous efforts supposedly being made for their protection. The Tax Reform Association also decided to file a brief that would contain their ideas as to the proper fiscal relationship that should exist between the District of Columbia and the National Government. A committee was appointed to prepare the brief, consisting of W. D. Mackenzie, chairman; B. F. Lindsas, secretary; E. J. Dakin, Jennie L. Munroe, Herbert Adams, Chas. Davis, George A. Warren and James Hugh Keeley. The committee made a careful and exhaustive study, extending over several months, of all the important questions at issue, and the results of this investigation were contained in a brief that is a model of clearness and conciseness. The brief starts with a short sketch of the growth of the National Capital, shows that the extravagances that caused the government to deprive the inhabitants of Washington of the suffrage were the acts of federal employees and office-holders, that the half-and-half arrangement contained in the law of 1878 has resulted in enormously increased land values, and that this fact, coupled with the discriminations in assessments, had retarded the growth of the city, interfered with building operations, raised rents and marred the beauty of the Capital by favoring the retention of the unsightly shacks upon the business streets. The brief also showed how closely the question of suffrage was connected with the determination of the fiscal relationship, and closed with a recommendation for the removal of all taxes upon personal property, business enterprises and improvements, stating plainly and lucidly the reasons for such recommendations, and suggesting that whatever contribution be made by the national government toward the expenses of the District be contributed in proportion to the value of its property under whatever system of taxation should be then in force.

The hearings before the joint committee were opened on October 25th. The Joint Citizens' Committee, which was really the business interests and the large landowners of the city, was the first to be heard. This Committee was represented by the former District Commissioner, a well-known local lawyer, and the editor of a daily paper of Washington, and they made an elaborate and lengthy plea for the retention of the Federal Subsidy.

The next witness was Herbert J. Browne, the well-known Single Tax expert, who, although he a member of the Tax Reform Association appeared in this instance in his individual capacity as a citizen of Washington. Mr. Browne spoke for several hours and riddled the arguments of the preceding speakers. He showed the absurdity of the prevailing general property tax and excoriated in no uncertain manner the past tax administrations of the city. He made an eloquent and convincing argument for the abolition of

the "half and half" plan and for the collection of all the District revenues from a tax on land values.

The speakers representing the Tax Reform Association followed Mr. Browne and made a splendid showing. Mr. W. D. Mackenzie opened the argument for the Association. He covered all the points in the brief in a clear and convincing manner. He produced irrefutable arguments in favor of granting the citizens of the District the right of self-government, showed how the present tax system had operated to retard the natural growth of the city and had been a palpable hardship on the thousands of workers who make their home here, and concluded with a clear-cut and well connected exposition of the advantages that would accrue to the mass of the citizens of the District by the inauguration of the Single Tax. Mr. MacKenzie earned the closest attention from the Committee by his calm delivery and altogether scholarly address. Mr. James Hugh Keeley followed and while the trend of his argument was for tax reform he devoted the greater part of his time to an exhaustive review of District affairs from the date of its original establishment to the present time and showed the absurdity of the present unrepresentative system of District government. Arthur P. Davis, Director of the U. S. Reclamation Service, then spoke and made a strong and convincing argument for the replacing of the present system by a Single Tax system to become fully effective after a term of years. Walter I. Swanton, the Secretary of the Tax Reform Association then spoke and illustrated the present tax system, and the probable results of a change to Single Tax, by graphic and interesting charts.

The present hearing has been the means of securing wide publicity for the Single Tax. It has been one of the main questions under discussion at every meeting of the Committee, and has been given daily first-page display articles in every paper of the city. The committee will probably be in session until the opening of Congress in December and while it is impossible to predict just what their action is to be, it can be safely asserted that some step will be taken in recognition of the arguments for tax reform as advanced by the representatives from the Tax Reform Association.

An incident which will give some indication as to the thoroughness with which the Tax Reform Association presented its views occurred toward the close of the hearing. Commissioner Newman was on the stand and had been asked by Senator Works as to his general views on Taxation.

"I am a Single Taxer," said Mr. Newman. "I don't believe improvements should be penalized."

"Well, I am not a Single Taxer now," answered the Senator, "but I may be before this hearing is over."

Whatever may be the results from the present investigation, however, the Tax Reform Association will continue its work with unabated energy. A committee has been appointed to arrange dates for its speakers among

the small towns of Virginia and Maryland, and the public meetings in the city of Washington will continue throughout the winter. A circular letter has been addressed to all the churches, labor unions and civic bodies of the city asking permission to send them a speaker to explain the taxation principles of the Association. In addition to these meetings it has been arranged to distribute Single Tax papers and pamphlets, and no effort is to be spared to educate all the citizens within the reach of its activities as to the evils of the present system of taxation and as to the benefits that must follow from a change to the Single Tax.

HOW IS IT WITH U. S. ?

(For the Review)

By **W. B. NORTHROP**

Americans are inclined to indulge in self-complacence. Our prosperity has been shooting ahead, at so much per schrapnel. As Browning would say: "God's in His Heaven; the worm's on the thorn; all's right with the world" (whatever all that means).

But let us stop, look, listen. Are we so everlastingly better off here than are the Europeans?

A country may be said to be no better off than its weakest economic link. Examining the economic link is like trying to find the missing one. We think we are strong in our business link, our naval link, political link, and other segments of the chain that binds us in as a people. It is seldom that we pay any attention to the link economic.

Let us forget the European war for the nonce. Let us only regard the peoples of the different countries—aside from their governments—in their relative status supposing no war existed. Particularly, let us look at our own social conditions.

It is difficult to summarize an economic comparison between the United States and any one European country, or to compare an American city with any one European city, owing to the difference in kind, if not in degree, of the poverty existing in the different countries; and, also, owing to the widely differing character of the problems in each particular State of the Union. There are, however, certain outstanding general features in connection with definite portions of the population which are alike in nearly all States and which cannot fail to attract the attention of any one who gives even the most passing glance to these social questions.

As societies greatest asset is said to be its children, it is well to begin with a consideration of the state of the children in this country, and let us ask our-