Plutocracy's Line of Attack

Is there a positive note in the Equity Tax Reform bill—or a ray of hope for the dispossessed millions? Here is its full text:

Article XIII of the Constitution is hereby amended by adding the following as Section 5 thereof:

Section 5. On and after January 1, 1919, all persons who own property except the franchises of public water corporations, shall be exempt from taxation therefor to be levied.

On and after January 1, 1920, all improvements on land shall be exempt from taxation therefor to be levied, but the value of land and the value of such franchises shall not be exempt.

Provided that Sections XI and XIV of Article XIII of the Constitution shall not be affected hereby in so far as they concern State revenues.

All provisions of Article XIII of the Constitution in conflict herewith are hereby repealed.

This amendment shall be self-executing.

The meeting at which this bill was adopted was called and engineered by the Eggleston-Todd-Troy Home Rule League. It was called on their letter paper. It is true that it was attended by C. K. Stern, Norman Duxbury, and Mabel May Duxbury of San Francisco and by W. R. Edwards of San Diego, who had been conspicuous and capable workers for No. 5, but they did not represent The Great Adventure nor did they pretend to—and they have all repudiated the product of the meeting.

With these four and Attorneys Ryckman and Waterbury and those responsible for the Times' publication, the "democratic state convention" adopted its tax elimination bill by a majority vote of thirty-one persons. Thirty-one persons, called together by known opponents of No. 5, for the expressed purpose of formulating a demand less than the one tax, adopts an elimination bill and organizes—the Equity Tax League. "Equity" doesn't sound so harshly to the banks.

Its elimination proposal is not Single Tax, nor an approach thereto.

The purpose of Single Tax is to open the land, by taxing the community created land values into the public treasuries so that it will be unprofitable to hold unused land.

This bill eliminates from taxation, for merely local revenue, two classes of property, improvements and personality, and by the enactment of Section XIV specifically forbids the taxation of land values for state revenue. How does this approach the purpose of Single Tax, which is to open the land by increasing the land values tax?

It is falsely argued that the deficiency created by these eliminations would logically be made up by increasing the land values tax. There is no such indication, and the logic is that land monopoly will dodge an increase in the land value tax up to the last subterfuge of the last astute lawyer that money can buy. It is possible that the intent of this bill that the deficiency be added to the land values tax, why doesn't it honestly say so? It is a most inept omission.

Aside from buildings and personal property there are eight other sources of revenue in California permissible by the constitution. What is to prevent any or all of these being increased to make up the deficiency? The tax on gross earnings of public utilities (Sec. XIV), the income tax including incomes of even $500 (as advocated by Hearst papers) and the occupational tax, could easily be stretched to cover the deficiency—-and it is no new thing in California to increase the number of misdemeanor arrests for the sheer purpose of raising revenue.

Well, we could have another constitutional amendment a year or two years later forbidding all other taxes—and later on more and more elections and amendments! "Ultimately," says Equity, "the tax would fall on land values." Equity is looking for a steady job, at least one that will last until it has checked the "ultimate" trick of plutocracy.

"But meanwhile business and the small land owner will be benefited by having their personal and improvement taxes eliminated," argues Equity. This is fallacy. On a monopolized earth All reforms accrue to the benefit of plutocracy. Banks, the money trust, interest, and monopoly commodity prices, will take whatever rent and the tax collector relinquishes. This is elementary economics, also hard fact.

The money power and food trusts rest upon monoply of the Source of human sustenance. The ch...
Source is taken by the People tax elimination bills mean only new chicanery. Under the terms of the Cressier bill, there will be taken by the People, for its certain the hidden meaning is to forbid raising state revenue from land values.

How would this answer the requirements of the Crosser bill, now so strongly urged by Singletaxers everywhere, which demands $40,000,000 of land value tax from California? Under the Equity bill it could not be done—of course we could have further legislation.

This is a counterfeit Single Tax bill. "It is all we can hope to get now," is its strongest argument—not very strong in a state that has just registered a third of its electorate for a One Tax demand to free the earth immediately. Its single purpose is to draw the Fire of the one tax demand, confuse the public, and prevent the Big Human Issue from again being voted upon. Consider these:

This Equity counterfeit is not offered in the "efete East," but in the pioneer West; it is not offered in the seat of conservatism, Pennsylvania, New York, Rhode Island, but in the most progressive state of the Union; it is not offered as an advance over the Crosser bill; it is not a death-blow to, a retreat from The Great Adventure's bold, frank, positive One Tax demand of 1915. Is "counterfeit" too harsh a term? If it were solely the proposal of honest but timid Three Percenters, still it would be the weakest, least progressive step toward Single Tax made in any state.

The Crosser bill, now creating a sensation of a national instead of a local land value levy of two billion dollars a year apportioned to the states according to their population.

In Rhode Island a vigorous Single Tax demand is being made for the abolition of all taxes save the One tax on land values.

The same demand will be made in Michigan, Ohio, and Mississippi.

Missouri has entered a campaign by initiative for the full Single Tax that is attracting the attention of the nation.

In Pennsylvania and New York the Single Tax parties "demand that the rental value of land shall be collected by the government, and all improvements, industry and monopoly fees be exempt"—

Oregon demands the full rental value.

Texas would abolish all but the land values tax.

And now in California where admittedly the One Tax demand is in imminent "danger" of being immediately enacted comes the counter demand of the Equity bill—and your opportunity (if that is in your vision in Congress, demands a direct land value levy of two billion dollars a year apportioned to the states according to their population).

In California there is no dissension in California. There is no threat of a rear attack against Single Tax, endorsed, abettor, by Three Equity bill that attempt to read the People, for its certain the hidden meaning is to forbid raising state revenue from land values.

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In Equity circula R. R. Waterbury, an Oakland attorney, appears. He is said to have worked hard for the one tax proposal last year—but hardly enough to become known at the San Francisco or Los Angeles Headquarters. Now he works hard against the one tax demand. I never heard of him writing a brief for the Single Tax, or his 400-word Equity brief against it is facile. He could probably convince a jury of anything—unless Attorney Ryckman were on the other side! Fortunately they are on the same side this year. Last year they were on the same side, too, but on the other side of the question. It is a high mark of merit in their profession that they so ably argue on both sides.

Mr. Waterbury's brief gets public, and the One Tax demand (now in imminent danger of being enacted, now under open ban of the banks) is modestly captioned as the view of "A Clear-Minded Man"—so his misstatements must be otherwise assigned than to an honest befuddlement.

Sophistically Mr. Waterbury quotes from Henry George and from The Great Adventure Weekly in such a way that the extracts seem to mean just the opposite from that which, by their omitted context they were evidently written to mean. Of his untruths, this one is enough: "Veterans' exemptions, college exemptions, church exemptions, all are to be swept away by The Great Adventure proposal." This should be adequately answered by the short and ugly word "preempted in personal application by Colonel Roosevelt. But it is nearer the mark merely to refer back to the Waterbury utterances of last year when, if he "worked hard" for No. 5 he must have truthfully stated that in spite of the misprinted State Pamphlet, the Single Tax demand has nothing to do with the question of exemptions, does not mention or disturb them, does not mention in the statement.

Mr. Waterbury is a facile arguer. Concerning Equity's reinstatement of Section XIV which forbids the state to raise revenue from land values, he says: "As to Section 14, the matter is too complex to dwell upon at length at this time. Suffice it to say that it is about the only feasible way to reach the franchise, or monopoly fees such concerns," etc.—by taxing the gross earnings of utilities.

But Judge Maguire said last year that this was no way to reach them, that they were not reached at all that way, and if Mr. Waterbury "worked hard" for No. 5 he must have said the same thing.

(Judge Maguire's and Frank Stephens' clear, strong rebuttal of the public utility stand to stand to stand the hammer was in the Crime of Poverty Everyman, a copy of which is anyone's for the asking.)

From the Former United States Senator of South Dakota

In 1891 Senator Pettigrew was the only advocate of Single Tax in the United States Senate. That year, as member of the committee on public lands, he secured the legislation which resulted in setting aside the forests of the United States. Under date of Chicago, July 19, 1917, he writes:

I am in full sympathy with the Great Adventure campaign—it is the real thing. The substitute offered by James and his followers will not command support, and I know they have no trade with the Socialists, and what they want is to found the work on false principles. How any Singletaxer can have anything to do with them is beyond my comprehension.

Tax reform has been tried since the days of Ham Arribee who announced it in a code of laws of Babylon 2300 years before Christ. But the Single Tax (another name for free land) is of more recent origin and there is but one form of it.

R. F. PETTIGREW.