

C. J. Ewing Appears Before Senate Finance Committee

PRESIDENT OF SINGLE TAX LEAGUE, INC.
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A TAX BILL is supposed to be for the purpose of producing revenue.

A tax bill is supposed to give some consideration to such matters as Justice, Equity, and the rights of citizens—including therein the rights of private corporations, which are owned and managed by citizens.

A fundamental principle of Democracy is that of Equal Rights to all—Special Privilege to none.

It was a leading and foremost Democrat who said, "That Government is best which governs least." Jefferson also said, "The earth belongs in usufruct to the living, the dead have no power nor dominion over it." It was another Democrat, Henry George, who said: "We cannot go on prating of the inalienable rights of man and then denying the inalienable right to the bounty of the Creator. If we turn to Justice and obey her: if we trust Liberty and follow her: the dangers that now threaten must disappear: the forces that now menace will turn to agencies of elevation."

The pending tax bill is in violation of economic laws. If you are opposed to wealth, you can legislate against it, and thereby create universal poverty. If it is not desirable for the citizens to have wealth, efforts can be made to pass laws confiscating this wealth and stealing it away from the owners thereof. If you are opposed to wealth, legislation might even be devised to prevent wealth production. It seems to me that a better thing to do would be to legislate against poverty, to remove the hindrances to production.

The organization that I am representing is in favor of wealth—and we are opposed to poverty:—we favor an increased production of the good things of life. We favor the idea that labor and industry should be free to produce wealth in ever increasing abundance—and that those who produce it should have the effective right and opportunity to retain and enjoy that wealth which they produce,—without being robbed or dispossessed of that wealth by any monopoly, special privilege, or even by government.

There seems to have grown up in some countries, in the legislatures thereof, a sort of a notion or theory that if an individual, partnership, or corporation, produces any wealth,—thereupon the government or legislature has some power or privilege to pass a law taking away that wealth or some large part of it from the individual, partnership, or corporation that created the wealth.

In some countries there has grown up the idea that a government or legislature has a privilege and power to regulate and stifle, to obstruct and tamper with the pro-

duction of wealth. It cannot be said that this is an American idea.

In some European governments there has long prevailed the idea that the central government is supreme—that if the citizen has any rights at all they are only such rights as are granted to him by some centralized government—and revocable by such government.

The American idea—as expressed by that great democrat, Thomas Jefferson, in the Declaration of Independence, is that all men are created equal and that they are endowed, not by any government, but by their Creator with certain unalienable rights, among others the right to life, liberty, and the pursuit of happiness, involving of course an equal right to the use of the earth.

In Europe, the idea was that citizens derived their rights, if any, from the government. In America, the opposite idea prevailed, viz: that the citizen has his rights from the Creator—and that the government has only such limited powers as granted by the citizens—except in case of war.

This pending tax bill is a move in the direction of communism—in that it is a denial of the right of private property and the private management thereof.

The essence and spirit of communism may be expressed thus:

- (1) Find someone who has something of value.
- (2) Take it away by force.
- (3) Re-allocate it.

This bill proposes to do that very thing and is communistic in essence and spirit in that it is a denial of the right of private ownership and management. This bill has in contemplation both the subversion and confiscation of private property and management thereof. Why should the Federal Government assume any such elaborate rights or powers. It certainly is not an American or a Democratic idea. It cannot be said that the passage of this bill can produce in this country any feeling of confidence that there is any intention to regard or to maintain any rights of the individual, either to conduct any business or to own any wealth, goods, or property.

It must be apparent to all that taxes on labor, business and industry do have a strangling and deadening effect not only in reducing the purchasing power of labor, but in killing the processes of production, manufacture and transportation. If you want to destroy the purchasing power of labor, keep on taxing the products of labor. If the purpose is to destroy business, manufacture and transportation, keep on piling up heavy taxes on those activities. These activities can be killed by taxes. This is not theory—it is history.

On the other hand, a tax on a monopoly will not destroy the purchasing power of labor; it will not interfere with but will accelerate the processes of production, manufacture and transportation.

If you gentlemen can eventually pass a tax bill that

will take all taxes off of labor products and off of business, and place a tax on monopoly, you would solve not only the revenue problem but also the more sinister problem of unemployment.

There is enough land in this country to provide ample employment and sustenance to all our fellow Americans. The natural resources and area are here but they are held in the grip of monopoly. In a certain sense the entire land of this nation should belong to the people living here. As Blackstone said: "The earth therefore and all things therein are the general property of all mankind from the immediate gift of the Creator." And as Herbert Spencer said: "The world is God's bequest to mankind. All men are joint heirs to it." It is known to all economists that the monopoly value of land is an unearned increment, and that of right it belongs to the entire community and constitutes a fund sufficient to defray the ordinary expenses of government. Theodore Roosevelt recognized this when he said: "The burden of municipal taxation should be so shifted as to put the weight upon the unearned rise in the value of land itself."

The great American economist, Henry George, pointed out clearly that taxes on labor products and on industry have an effect of reducing wages, reducing the purchasing power of labor, causing stagnation of industry and unemployment.

To remove these inequitable and confiscatory taxes would vastly increase business, production and employment. A tax on monopoly or the collection of land rent into the public treasury would vastly stimulate business and wealth production, and would open up the field for universal and steady employment. It would end and prevent depressions.

If it is desirable to preserve our present civilization (which is based on mass production) and also to preserve individual liberty and initiative—there is only one way to do it, in my opinion, and that is by the method that I have proposed. Abolish taxes on labor products; abolish taxes on business, labor, and industry; levy a tax on monopoly and especially take into the public treasury the annual economic rent of land, I therefore oppose this bill. I oppose the imposition of any additional tax burdens on business, industry, production, manufacturing or transportation. In my opinion, it is not a proper function of government to impede or restrict the production of wealth, or take from citizens the right to manage their own business.

If it is said that a sum of 800 million dollars is needed for revenue purposes, I will say that it is rather generally known throughout the country that great waste appears in the expenditure of public funds. According to our Constitution, the Houses of Congress have something to say as to appropriations. I would suggest that this 800 million be saved or lopped off from wasteful expenditures, and thus it would not be necessary to enact this so-called revenue bill at this time.

I would further suggest that some other Federal taxes that now fall with paralyzing effect on business and industry should be repealed,—and in place thereof there might be enacted a Federal tax of one per cent on land values or monopoly sites. The huge sum being spent for power dams and public works—which have a tendency to greatly increase the value of lands contiguous thereto—should be charged up against the areas thus benefitted and the increased land values caused by said works (if the said works are necessary and useful) should be sufficient to pay for the cost of construction.

I have one further suggestion, viz: that for the raising of Federal revenue, the Constitution be consulted, and that the Federal Government, for its necessary expenditures should levy an assessment on the States in proportion to population. This would be entirely constitutional and would produce three very charming results, first,—it would have a tendency to do away with the Santa Claus idea or miracle theory which some seem to have. They seem to think that the Federal Government has some source of wealth other than the old well-known method of government forcibly taking wealth from individuals. It is really time that the Santa Claus idea as to Federal revenue should be clarified. Labor and industry create all wealth. Second,—by levying assessments on States, it is likely that some State might soon be wise enough to adopt the proper system of taxation as outlined by Henry George, the American economist. Such State would thereby be in a fine position to enjoy fully the prosperity that would flow from its wisdom and justice in taxation methods. Third,—some other States might be unwise enough to place confiscatory and burdensome taxes on labor, or labor products, on business, and on industry. Such States should be in a fine position to completely enjoy the fruits of their folly. It is the natural law, and quite scientific.

Whatsoever a man soweth, that shall he also reap.

THE first man who, having enclosed a tract of ground, bethought himself of saying, 'This is mine,' and found people silly enough to believe him, was the true founder of civil society. What crimes, wars and murders, what miseries and horrors, would have been spared the human race, if some one had thrown down the fence and filled in the ditch and cried out to his fellows, 'Do not listen to this imposter. You are lost, if you forget that the fruits of the earth are for all, and that the earth belongs to no one.'—JEAN JACQUES ROUSSEAU.

A THEORY that, falling in with the habits of thought of the poorer classes, thus justifies the greed of the rich and the selfishness of the powerful, will spread quickly and strike its roots deep. This has been the case with the theory advanced by Malthus.

PROGRESS AND POVERTY.