

## War Problems of Taxation

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**W**E are emerging from a world war in which we fought for the principle of right as opposed to mere might. Shall we be true or false to that principle in dealing with the problems of taxation which the war has left us?

Let us not lose sight of the big facts in a clutter of little ones. It is important to specialize minutely, but it is equally important to generalize broadly and deeply.

When the war came upon us we adopted two methods of financing it—taxation and bonds.

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By taxation we paid for part of the war as it went on. For that part the books are closed. Not so the bonding part. The bonds must be paid off.

Paid off with what? With money? No. money cannot pay them off. They must be paid off with human work. And not work of the past but of the future. Consider, then, how much future work will be necessary.

The debt, in terms of money, is approximately twenty billions. That is \$180 per capita; about \$900 per family. In terms of human work it means the future work for 300 days a year for thirty years of half a million \$5 a day men. Somehow, then, this enormous amount of future work must be confiscated in order to pay off the war bonds. By what process shall the confiscation be done? By taxation, of course.

Now, there are different kinds of taxation and each kind produces its effect. There is indirect taxation. It falls upon the processes of production and increases prices. It promotes profiteering. It tends to check production by increasing cost to consumers.

Then there is direct taxation, which takes from the taxpayer the value of his work after he has done it. This is unfair confiscation if the taxpayer is a worker. But it is a fair method to the extent that it confiscates only the value of privileges.

Here, then, we have a suggestion as to how the war bonds should be paid. They should be

paid with the work that workers have to give to vested interests for the privilege of working. The greatest of those privileges is ownership of natural resources. These are measured in money terms by what we call land values. This source of taxation has not been tapped at all for war purposes. Yet it commands human work to an enormous extent. The aggregate value of natural resources in this country is probably not less than \$2,000,000,000 annually. In terms of work at \$5 a day that would equal approximately the work of 1,250,000 men for one year. Allowing lavishly for interest on the war debt, the whole debt could be paid off from that source alone in less than twenty years.

Who would lose? The land grabbing corporations, the privileged who are allowed to live on the earnings of others. No one would lose anything he earns. If we conscripted men to die in the trenches, why should we not conscript land monopolists to pay the bill?

On the other hand, think of the gain. Workers would not be taxed twice, once by land monopolists for the privilege of working and then by the Government on what they have left of their earnings. Another gain would be the putting to use of lands now unused, thereby increasing production. It would abolish unrighteous vested interests, it would silence socialist agitation and it would make "Americanism" a word to conjure with wherein the world suffers from the sins of special privilege.