

A Gleam of Reason in The New York Legislature

DRIVEN by the dread of impending public disorder and calamity which seemed inevitable if the power of eviction hitherto possessed by landlords should be exerted to the full on October 1st, Governor Smith called a Special Session of the Legislature of the State of New York, to meet at Albany on September 20th for the purpose of dealing with the housing problem. The session lasted from Monday until early Saturday morning. Probably because certain members of the legislature disliked being regarded as "quitters," they deemed it incumbent to repeat their performances, which had consumed so much of the time of the Assembly at the regular session. The ousting of the Socialist members who had been re-elected at special elections, thus consumed the Tuesday session in the Assembly. Thursday was devoted to a public hearing on various proposals amending the laws governing landlord and tenant, and certain new proposals which were expected to remedy the housing difficulty. As a matter of fact it was chiefly an opportunity for a grand stand play, for with a single exception it had no effect upon the course of legislation. It seems probable that the bill proposing to exempt income derived from mortgages from State Income Tax was killed by arguments submitted at the public hearing.

DEFEAT NOT TO BE REGRETTED

The defeat of the bill was no calamity. The amount of exemption which would have been obtained under it was so slight as to leave the situation substantially unaffected. The important features of the bills adopted were, first: to deprive the landlords of the power of summary eviction; second: to penalize landlords, who with a view to compelling tenants to vacate buildings, deprived them of any service to which they were normally entitled; and, third: to permit local authorities to exempt from local taxation residence buildings, begun within eighteen months, for a period of ten years.

THE TEN YEAR EXEMPTION

In order to understand the action taken, it must be kept in mind that the Joint Legislative Housing Committee appointed at the regular legislative session of 1919, of which Senator Charles C. Lockwood is Chairman, had been continued to consider the housing problem, and report to the next regular session of the legislature. This Committee prepared substantially all the bills that were enacted and reported some bills which were not enacted. The Committee held a number of hearings during the Summer, and was bombarded with all sorts of suggestions for solving their difficulties, many of the schemes involving the use of State or municipal funds for housing enterprises to be directly undertaken or subsidized by Government. The Committee is to be congratulated on having wisely steered clear of these measures, and for not having been taken in by their speciousness, which seems to have captured so

many otherwise sensible citizens. One loses faith in the reality of the traditional American sense of humor, when one beholds people urging the same Government which throttles housing enterprise by unjust taxation with one hand, to administer stimulants to the victim with the other. The Legislative Committee after struggling against the acceptance of the idea of exempting improvements from taxation, which had been suggested to it for two years, finally found itself in the position of being obliged to confess that it could make no contribution whatever towards solving the housing problem except by adopting the idea. It may further be said with truth that little gratitude is due the Committee for the action which it took only as a last resort. The Committee recommended a bill to exempt buildings completed after April 1st, 1920 and completed, or in process of construction on January 1st, 1922 from taxation for ten years, or until January 1st, 1932.

THEY DIDN'T KNOW—SOMEBODY TOLD THEM

It must be said the legislature adopted this measure without really understanding the principle involved. The Committee had been told by a number of persons that this measure would work, and so drafted the bill, and the legislature was told by the Committee this bill would work, and therefore they adopted it. Finally Governor Smith signed the bill, though it was not one of those recommended by his own Housing Reconstruction Committee. This report represents considerable thought, but had all its suggestions been enacted into law, it would have led nowhere.

MAKING HOME BUILDING NEARLY IMPOSSIBLE

It passes comprehension that almost none of the students of the housing problem have observed the fact that money invested in manufacturing houses is more heavily taxed than that employed in any other industry. If anyone doubts this, let him consider the fact that at the present rate of taxation, substantially the entire value of the investment is taken in taxation during the life of the structure. The reason why this escapes the attention of so many people is because of the absurd confusion involved in classifying land and buildings together as real estate, and applying to two such different subjects of taxation the same rule. It is no wonder that in spite of the unusual attractiveness of houses as subjects of investment, that this heavy burden has discouraged building to a point where good housing for the poor is unobtainable. If the investor puts his money into the manufacture of clothing or food, he is able in the State of New York to escape nearly all direct taxation upon it.

THE BASIC ERROR

The reason for this misapprehension is of course the mistaken idea entertained by nearly all but Single Taxers, that the house, as well as the land upon which it stands, benefits by expenditure on public improvements, and therefore should pay its share of the cost of these improvements. One thing this house stringency should have taught us is, that a house is never worth more than the cost of reproduction.

Of course it must be kept in mind that the legislature did not make this law mandatory. It gave the option to city authorities to grant the exemption if they should see fit. It is therefore important to those who wish to have the measure made effective, to see that the municipal authorities act promptly, so that the full benefit of the time allowed for construction may be had by citizens who wish to take advantage of it.

SOMETHING TO BE GRATEFUL FOR

Perhaps the thing which this action of the legislature most impresses upon us is the willingness of the public and its representatives to try all kinds of quack nostrums before utilizing commonsense remedies. Had the Constitution not stood in the way, we would almost certainly be launched upon a programme of paternalistic legislation which would have been as futile to achieve the result desired as has been the housing programme launched by the British Government along the same lines. We may therefore be grateful for a Constitution which gave the legislature power to do the right thing and prevented it from doing the wrong one. It generally happens the other way. Perhaps when the people have had a chance to observe the effect of untaxing new buildings, they may want to extend the period of exemption for all time.

A Notable Dinner

MOVEMENTS, like individuals and institutions, have habits. The irrepressible habit of the Single Tax movement is to hold dinners. So much so that neither the announcement of a dinner to be or the reporting of one that has been arouses much enthusiasm. When the announcement is received we feel it a duty to the habit to go, regardless of our attitude toward the reason that prompted some Single Taxer to call us together, and when the dinner is reported we interest ourselves only in knowing who were there.

However, a dinner was held on August 28, 1920—the year must not be forgotten—at Keen's English Chop House, New York, which was of more than passing moment. It was a gathering of forward looking men and women, a gathering that differed from most dining hall meetings of Single Taxers in that the pervading spirit was earnest rather than critical, purposeful rather than reminiscent. It was the Notification Dinner tendered by the National Single Tax Party to its candidates for President and Vice-President. A similar dinner had never been held before, and, as these are the first national candidates of the party, it will never be repeated.

The number present was not large—somewhat less than a hundred. But everybody there felt the importance of the occasion, that he or she was participating in a solemn undertaking to advance the cause of humanity. For the first time in the history of the movement the Single Tax was launched as a national issue. No voter can henceforth ignore it; he must be for the Single Tax, or against it.

Mr. Oscar H. Geiger, of New York, presided. The earnest character of the meeting was indicated in his opening remarks. He begged indulgence for his shortcomings as presiding officer, explaining that he did not know until shortly before the dinner that he was to sit at the head of the table. Then with his characteristic earnestness he declared that the Single Tax Party never asks its members to serve but drafts them as he had been drafted on this occasion. The cause is too great to permit personal amenities to hinder its progress; every man is expected to do his duty as prescribed by the organization.

James H. Dix, of Pennsylvania, chairman of the memorable Chicago Convention, made the notification address. Dix always smiles. He smiled his way into the hearts of those who sat before him in Chicago, so that they forgave him his strict adherence to and thorough knowledge of Cushing's Manual of Parliamentary Rules; and now that he was divested of his commanding gavel his smile seemed all the more winning. There is a moist twinkle in his bright eye, his mouth curls up at the side, his high-pitched, resonant voice breathes sincerity. And he is sincere; that is why we love him. For a moment, when he delivered the message of the Chicago Convention to candidates Macauley and Barnum, declaring that this was the greatest moment of his life, it looked very much as if Dix's emotion was getting the better of him; a close observer asserts that a tear was visible.

Then came Macauley—our own "Bob." It did one's heart good to hear the applause and cheers that followed toastmaster's Geiger's introduction of the first candidate for President of the Single Tax Party. It was spontaneous, it was real. Those who know Macauley need not be told that he delivered a great speech; for he is an orator. But, as usual, he did the unusual. He talked for over an hour on the Single Tax to a group of people almost every one of whom knew the story as well as he knows it. He warned them in advance that he was going to do it. Yet they listened. They did not fidget. They hung on his every word, just as if this were the first time they had heard the great gospel. A man who can do that deserves to be the standard bearer of the Single Tax movement; for if he can make Single Taxers listen to and like his presentation of the philosophy, then he surely can preach it effectively to the unknowing millions.

Of course, Macauley was eloquent, fiery, thundering. How well, then, did the suave and humorous address of Richard C. Barnum, of Ohio, candidate for Vice-President, fit into the picture. Those who had met Barnum in Chicago, had heard him present the Single Tax before the Platform Committee of the Forty-Eighters, had noted his quietly convincing manner in the Single Tax Party Convention, knew that Barnum would acquit himself as befitted the occasion. He has a calm, modest demeanor, a shyness that belies his remarkable business ability until his ardor and determination become evident. He is the ablest and most sincere candidate for Vice-President of any of the political parties.