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Economics for Ex-Service Men---and Others

"How could the money be raised for this bonus?" asked Congressman Kitchin, of North Carolina, of Edward D. Hale, representing The Veterans of Foreign Wars, who was urging legislation granting a bonus to ex-service men. "There is a public debt of \$26,000,000,000 now," Mr. Kitchin said further. What Mr. Hale said in reply, the Associated Press did not report, but it is not likely that he had much difficulty in disposing of the objection. The Associated Press would not have failed to report it had he been stumped. How could the money be raised? Is there no other objection? If not, there is no excuse for delay. It is not necessary to add to the public debt. It can all be taken from the one interest which Mr. Kitchin helped to exempt entirely from war taxation, the land speculating interest. What is more, Mr. Kitchin is aware of that fact, or ought to be, for his attention has been called thereto more than once. Mr. Hale and his fellow members may not have known the needlessness of that question. They were busy in France at the time that Mr. Kitchin, then Chairman of the Ways and Means Committee, presided over hearings on the war revenue act. So they probably did not hear that the Committee was urged to avoid bond issues and piling up of war debts, and its attention was called to the possibility of conscripting wealth to carry on the war as men were conscripted. They did not hear that organized farmers, organized labor and many civic organizations urged a federal tax on land values as a source of war revenue. Representatives of the National Single Tax League also appeared before the Committee, directing its attention to the fact that it was allowing lands with a rental value of five billion dollars to escape taxation. But it was all in vain. Mr. Kitchin and his colleagues preferred to tax children's ice cream cones and movie tickets and to burden unborn generations with a monstrous debt. And now, with land values, and especially vacant land values, still escaping war taxation, while the kiddies are still paying on their ice cream, Mr. Kitchin asks: "How could the money be raised?" Is his memory so poor?

In his farewell address, Secretary Lane called attention to the failure of Congress to make any provision for the opening of unused lands to former soldiers. That Congress did not put into effect the specific proposition put forward by Secretary Lane does not call for any criticism. Secretary Lane had urged that Congress repeat the mistake made at the end of the Civil War by turning publicly owned lands over to private owners. The effect of that policy is seen today in increasing agricultural tenantry throughout the prairie states and the growth of an idle landlord class.

Moreover Secretary Lane urged the purchase from land speculators of unused lands to be resold to settlers on longtime payments. That would have been a fine thing for the speculators, but not so fine for taxpayers, who would have to advance the money for the settlers who would be paying back the money for the rest of their lives and of the lives of their children. This would not only have been burdensome, but unnecessary. Every inch of unused valuable land could be opened to settlement at once without payment of a cent of tribute to speculators or levy of a dollar in taxation on industry. If Congress and state legislators would shift all taxes from labor and labor products onto land values, the holders of valuable lands would be forced to let them be used. Ex-soldiers and other citizens would get their opportunity. If Secretary Lane had urged this, instead of the preposterous scheme that he did, Congress would probably have been equally negligent, but its negligence would have been far less defensible. What Secretary Lane did not do, the friends of ex-service men can do. They can insist that Congress cease its do-nothing policy and force the opening of unused opportunities everywhere, without paying speculators for such a result. They might insist on passage of the bill for taxation of land values that Congressman Kelly of Pennsylvania has introduced. That is a practical way to go about opening the land to the people.

Senator Poindexter declares his objection to the pending covenant of the League of Nations to be that it is designed to bring about international free trade. The pity of it is that the Senator is wrong. Free trade is essential to permanent international peace. And no league of nations can be a league of peace unless it provides for total abolition of all artificial barriers to international trade. If absolute free trade did not prevail between the states of the union it would probably be as hard to maintain peace between them as between the Balkan nations. Because there is free trade, peace between the states has only been broken once, and that breach was due to a legalized predatory interest, even worse in degree than the tariff-protected interests. Apparently Senator Poindexter realizes this fact, for on no other can he base his suspicion of free trade intentions lurking behind the League. If the backers of the League would make it a league of peace, they must cherish hopes of abolishing custom-houses. Unfortunately evidence of such intention is lacking. Senator Poindexter, if he has no other reason for opposition, may rest assured that he can support the covenant, and, in doing so, do nothing whatever to advance either free trade or peace, unless it be by presentation of an object lesson of how not to do it.