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How War Expenses May Be Met

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THE notable life work of the late Mr. Joseph Fels in the cause of Single Tax is carried on most energetically and effectively by his devoted wife who assisted him in the arduous labor during his lifetime. Mrs. Fels has actively continued the work and her voice and pen have been busy in the cause. One of the most significant statements with reference to the economic question growing out of the war blaze in Europe was a letter she wrote to the Editor of the *London Daily News*. The letter has occasioned widespread comment and focuses the problems of the times. She calls attention to the fact that the land tax would put into the public treasury the ground rent of the nation, thus taking nothing from labor or capital which they do not already pay to private individuals, and would put a premium rather than a penalty upon improving property which would thus afford more employment to the masses. The letter itself deals with the problems of how the expenses of the war should be met.

Philadelphia, Pa.
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Mr. A. G. Gardiner,
Editor, London News (Daily),
London, England.

Dear Sir: How should the expenses of the war be met? Whatever plan may be adopted by the government, it will have one of two results. It will either make harder the struggle for existence of the men who have risked their lives in the war, of those who have returned crippled or broken in health, and of the widows and orphans of those who were killed, or it will make the future easier. It all depends on what method the government will adopt. to raise the necessary revenue, whether one result or the other will be the outcome.

Should the government decide to issue bonds, it will mean that those who buy them will have a legal claim upon the labor of every worker in the country, upon the labor of his children and of his children's children. Surely the war has caused sacrifices enough. Such additional sacrifice should not be asked.

Should the government levy tariff taxes, excise duties or taxes on labor products? If it does this, it will restrict production and trade, and lessen the number of opportunities for employment. It will thus increase the number of unemployed, reduce wages, and at the same time force up prices of commodities. Tariff taxes increase the price of imported goods, and check importations. Since for every dollar's worth of goods imported into a country, a dollar's worth of labor must be performed within the country to pay for these goods, tariff taxes reduce opportunities for employment as well as increase prices. When made so high as to be called "protective," then taxes force much labor out of industries for which the country is best fitted, into industries which can only be carried on under difficulty and loss. Moreover, it stimulates and encourages the

formation of trusts and monopolies which rob and oppress the workers as grievously as would any foreign conqueror. Those who have made the sacrifices which war requires should surely be spared such treatment from their own government.

Excise taxes check production of the commodities on which they are laid, thus reducing the number of men employed, lowering wages, and raising prices. They also encourage combinations and trusts. Other taxes on labor products have the same effect. Taxes on honestly earned incomes merely rob the taxpayer of a part of his earnings.

Surely the government should avoid all such methods of raising money. The government can raise all the money it needs in a way that will open opportunities to labor so that none who want work need be without, that will stimulate production of wealth instead of checking it, that will put an end to the trusts and monopolies now existing and make impossible the formation of new ones, that will increase wages to the full product of one's industry, and will keep prices down to a fair level. It is only necessary, in order to accomplish such a result, to levy taxes so that holders of natural resources will find it more profitable to let them be put to their most productive use than to hold them unused or but partially used. The tax that will do this is a tax on the value of land, irrespective of improvements, so laid as to take for public purposes the entire rental value. This is the only tax that should be levied to raise public revenue. It would put into the public treasury the ground rent of the nation[^] thus taking nothing from labor or capital which they do not already pay to private individuals. At the same time, it would exempt industry from all taxes now paid in addition to rent.

It would compel all land holders to either make use of their land to its full capacity, or let some one else do so. To let valuable land lie unused, would mean to the land owner payment of the rental value to the State without return. He could not afford to do this, moreover, he would not, as is now the case, be taxed more for improving his land than leaving it lie idle.

Thus in every country adopting this system there would be effective demand for labor equal to the needs of the population. There would be no need of enforced idleness, and no involuntary poverty. Is not the establishment of such conditions due the people who have made all the sacrifices which war entails, and endured its awful suffering? Let them refuse to tolerate any suggestion of depriving them of their due. Yours truly,

Mary Fels. (Mrs. Joseph Fels.)

After reading this letter which attracted so much attention among our English cousins, one can see how the interests of the belligerent countries across the sea have become our own interests in restoring the world to a peace equilibrium, following out the dreams and ideals of the real progress of civilization which it is felt has had its last interruption in the hostilities of Europe.

Mrs. Fels has connection with the Joseph Fels Fund of America of which Mr. Daniel Kiefer is chairman, and the proving and testing the principles of single tax have grown more propitious than ever before.

When an economic question in the last analysis involves a moral issue, then the interest of the

people is aroused to make a thoughtful and earnest investigation of everything offered to ameliorate the general welfare of the people and preserve the incentive of individual initiative.