

Why Not Tax the Profiteers?

Secretary Mellon is protesting against the soldiers' bonus on the ground that it will require new taxation. He expresses himself against the sales tax and the renewal of the tax on excess profits. Of course he opposes the renewal of the tax on the profiteers; he is largely responsible for the fact that the tax was taken off the profiteers. It was estimated that the excess profits tax would raise four hundred fifty millions this year. He not only favored the repeal of that tax but tried to make it retroactive so that it would be virtually a gift of that much to the profiteers. He even went farther and recommended a reduction of the tax on large incomes, asking that the rate be cut down from sixty-five per cent to a maximum of thirty-two per cent. He went so far as to ask that this also be made retroactive. This would have been a gift of ninety millions for this year to the men with big incomes. The bill was so bad that a Republican caucus of the House could not swallow it; by a majority of nine the Republican caucus struck out the retroactive clause and thus saved for the treasury five hundred forty millions (four hundred and fifty million excess profits tax and ninety millions on large incomes). The House followed Secretary Mellon's suggestion and repealed the tax on excess profits and reduced the tax on big incomes to a maximum of thirty-two per cent. The agricultural bloc in the Senate organized a fight against this reduction and succeeded in raising the rate to fifty per cent—eighteen per cent above the amount recommended by Secretary Mellon.

When the bill went into conference the Democrats of the House secured ninety-three Republican votes and sustained the Senate, thus defeating Secretary Mellon on the proposition.

But this is by way of introduction. The question now arises: How shall we raise the money necessary to pay the soldiers' bonus? The easiest and most just way is to restore the tax on profiteers. If there is anybody who can afford to pay additional taxation it is the man who collects an unfair profit from the public. If the law would fix an arbitrary rate as a reasonable profit and then put a progressive tax on all profits above a reasonable profit, the government would not only raise a large sum and raise it equitably but the tax would act as a restraint upon those who now collect unreasonable profit. The masses are in bad shape; the farmers are in worse condition than they have been for thirty years. The laboring men are not all at work and those at work are for the most part working for reduced wages—in many cases the wages have fallen more rapidly than retail prices, so that there is actual injustice to the producing masses. Instead of laying an additional burden upon those already overburdened, justice would lead to the enactment of a law which will put the burden upon those who are wronging the people by exaggerated profits. These are comparatively few in number and, therefore, their resentment against the soldiers because of the tax could not be harmful. Any special tax that is levied upon any large class is likely to be regarded as unjust whereas a tax upon the profiteers would aid the soldiers while it satisfied the demands of justice and pleased the general public.

The Democrats have an opportunity here to render a real service to the soldiers and at the same time a real service to the public. Let the profiteers bear any special burden that the soldiers' bonus makes necessary. W. J. BRYAN.

PROHIBITION A SUCCESS

The Associated Press publishes a statement made by Prohibition Commissioner Haynes, which presents a conclusive endorsement of prohibition. The drink bill is reduced two billions of dollars in a year. The arrests for drunkenness are reduced from three hundred and sixteen thousand to one hundred and seven thousand. Seventeen and a half millions of drinkers have quit drinking.

Here are three facts. What patriot can ask for a return of the saloon in any form? Who will ask that seventeen and half millions of persons be led back into the liquor habit? Who will ask that two billions of dollars shall be taken from the purchase of food and clothing and wasted upon drink? Who will ask for the return of a system that will increase the number of arrests for drunkenness from one hundred seven thousand to three hundred and sixteen thousand—the number in 1917?

Prohibition is a success and it is here to stay.

THE FARMER HAS NO INTENTION OF ORGANIZING A THIRD PARTY, BUT HE DOES INTEND TO MAKE HIS VOTE FELT



—From The Miami, Fla., Herald.

FARMER WINS AGAIN

The Senate, by a vote of 63 to 9, adopted an amendment to the Federal Reserve Bank act directing President Harding in making appointments to the board to have "due regard to a fair representation of the financial, agricultural, industrial and commercial interests and geographical divisions of the country."

This is a great step in advance. The Commoner, in its October 1921 issue, urged this change in an editorial under the caption, "Make Reserve Board Representative," as follows:

"It took a good while to get Agriculture, Labor and Commerce represented in the President's cabinet. These three great groups were not represented until within forty years. A Secretary of Agriculture was provided for something more than thirty years ago, then a Secretary of Commerce, then a Secretary of Labor.

"These three groups ought to be represented on the Federal Reserve Board. That board, by regulating the currency, exerts a large influence on the farmer, the laborer, and the business man. The Reserve Board deflated the farmer; it is largely responsible for the sudden drop of nearly one-half in farm prices. Indeed, this drop now stands in the way of returning prosperity. No farmer had a voice in the decision that so affected his welfare. Why not have as one of the Directors of the Reserve Board a FARMER who actually FARMS and is, therefore, in sympathy with agriculture?"

"If the farmer cannot buy, the manufacturers can not keep their mills going, and when the mills close down labor is thrown out of employment. The Federal Reserve Board is, therefore, largely responsible for the present industrial condition. Why not have as a Director on the Federal Reserve Board a LABORER who LABORS and, therefore, is in sympathy with the wage-earners?"

"The third group in size and importance is the business man—not the banker who assumes to speak for the business man, but the business man who, instead of being a banker himself, is a patron of the bank and is, therefore, an acute sufferer if the Reserve Board contracts the currency. Why not have as a Director on the Reserve Board a BUSINESS MAN who is NOT a banker but a man in sympathy with the business men of the country?"

"What logical objection can there be to such a reorganization of the Federal Reserve Board as will make it impossible for lawyers, bankers, and college professors to have entire control of it? Surely the farmer, the laborer, and the business men who constitute at least three-fourths of the entire country ought to have a voice in the control of our currency system which so vitally concerns each man, woman and child in the nation."

The Senate amendment carries out the policy advocated by The Commoner as to representation for the agricultural interests. The "agricultural bloc" deserves credit for its part in securing the adoption of the amendment. We congratulate the Senate and the farmers.

The Farmers Aroused

Press dispatches indicate that the farmers are aroused as never before in thirty years. They are going into politics—why not? Big business is in politics; the financiers are in politics; the profiteers are in politics; why should the farmers be the only indifferent ones?

Some thirty years ago a European statesman said: "The non-producers produce more laws than the producers of wealth." That is true, and so long as the farmer gives his exclusive attention to the old plow and leaves the producing of the laws to the non-producers he will not meet them at the summer resorts.

Every time the farmer asks anything he is told that the thing which he demands is impracticable. It took him a generation to secure the farm loan bank, and then a banking corporation held the loan up for many months, causing hundreds of millions of dollars injury to the farmers.

The farmer knows that this government can do anything that is necessary for the protection of the people. If the Constitution stands in the way of any needed law, the Constitution can be amended, as it was in the case of the Income Tax.

The power of the government to protect the people is as complete in time of peace as in time of war. The only question to be decided is whether it is necessary to exercise the power.

If the American people believe that agriculture is so menaced as to jeopardize the nation's welfare, they can fix a minimum price in time of peace as well as in time of war. They can stabilize the staple farm products, like wheat and corn, cotton and wool, for instance.

The people can fix the rate of income for middlemen as well as for bankers. The power of the people to protect themselves is full and complete. Let the people study these questions, decide upon what they need and then select candidates to write their wishes into law. This is a people's government if the people will only take charge of it. If big business runs the government, it will run it in the interests of big business; if the financiers run the government, it will be run in the interests of the financiers; if the middlemen run the government, it will be run in the interests of the middlemen; if the people, as a whole, run the government, they will run it in the interests of the people as a whole. Why not let the people rule? As the farmers constitute a very large percentage of the people, they are in position to get about what they want when they want it badly enough to demand it, and stand by the demand.

W. J. BRYAN.

THE BANKHEAD BILL

Congressman Bankhead of Alabama has introduced a bill (H. R. 6048) which provides for the reclamation of overflowed lands. It follows the plan that has been employed for the reclamation of arid lands and the reasons are identical. The purpose of reclamation is the addition of waste lands to the tillable areas and swamp lands are not only as valuable when drained as arid lands are when watered but the submerged lands are, as a rule, much nearer the markets so that the acre value of the products is greater.

Many of these overflowed lands are in the south where the season is longer and where two crops can sometimes be raised. Much of the land to be reclaimed is near enough to the sea coast to have the advantage of ocean freights.

The Bankhead bill ought to have the unanimous support of the senators and members.

NEBRASKA BANKS SAFE AND SOUND

On another page will be found a resolution adopted at a meeting of the Nebraska bankers at Omaha recently. The resolution constitutes the strongest possible endorsement of the value of Nebraska's bank guaranty law, and substantiates every claim made by the sponsors of the law at the time of its enactment.

Nebraska's bank guaranty law has stood the supreme test, and has proven a bulwark of strength to the banking and business interests of the state in time of stress. This law was passed by a Democratic legislature.

The Commoner was an early advocate of the bank guaranty law, both for state banks and for national banks. The principle was embodied in a plank in the Democratic national platform of 1908. Every state bank and national bank should have their deposits guaranteed for the protection of the depositors.