

# Daniels Sees Way to Reduce Taxes

(By Josephus Daniels, Secretary of the Navy in Wilson's Cabinet. All Rights Reserved, 21st Century Press, Washington, D. C.)

Do people really wish reduction of taxes? "The present taxes are burdensome and intolerable and must be reduced."

I have recently visited thirteen states and spoken in most of them, sometimes to Chambers of Commerce and other business organizations, and talked to men of affairs, newspaper men, public officials and others who are in touch with what the folks are thinking about. They are talking, of course, about all problems from what to plant to indemnities or whether it was true that the world war was really a war against war as we told the five million youths who were enrolled or enlisted. On every other topic I found variety of opinions, but rich and poor, east and west, there was concurrence of opinion that federal taxation ought to be reduced.

I do not state this fact as anything novel or surprising. Adam had to give a tenth of his fig leaves—and I doubt if he relished the law. Didn't it make him shudder at the thought of scant clothing if the thermometer should go down? We all want the modern improvements which cost millions and billions and hurrah for them, but when the bill has to be paid we are all ready to find a way to "let George do it." However, at this time, now that war has ended and all other things (except trust-controlled products) have been tumbling the people are serious in their demand for reduction of the big burdens which soared in war. Of course the loudest cries are raised by those who wish to shift their excess profits tax to the consumers. They ought not to be permitted to do it, for if anybody ought to pay high taxes at this time it is the men and corporations making excess profits. If the real people—I mean the folks who labor and the folks who produce the wealth—could make their voice heard in Washington they would thunder to law-makers this mandate: Reduce no taxes on profiteers or those who are still making excess profits until all taxes on consumption are repealed.

## THE MAIN QUESTION

The question uppermost is: How can congress respond to the popular demand to reduce federal taxation?

I have the answer and it is as easy as proving that two and two make four. More than that: it is the only way to reduce taxation to some extent immediately and prepare the way for great reductions in all the future. It is self-evident, too, that unless the course I will outline is taken, instead of any permanent reduction in federal expenses, the day is not distant when expenditures must be greatly increased and that therefore new sources of revenue must be discovered.

Now for the immediate reduction of government expenses:

Repeal immediately the Esch-Cummins bill of abominations under which many millions of dollars annually are paid as subsidies to the railroads. No other industry enjoys a government subsidy, with guarantees of profits on watered stock, and at the same time is permitted to raise railroad rates to a point so high as to make shipment of heavy freight almost prohibitory. Does anybody wonder that receipts are falling off when rates are prohibitory? A ton of hay in a western state can be bought for six dollars, so an eastern North Carolina farmer tells me, but the freight rate is twelve dollars to his home depot.

2. Reduce at once the army to 100,000 men and the navy to 100,000 men. Of course it will require more men if all ships are kept in full commission and all the army posts are fully manned. But there is no need for this. I know what I am talking about when I say 100,000 trained men will man all the 12- and 14-inch-gun dreadnaughts and the active necessary fleet in the Atlantic and Pacific oceans, giving on the Pacific a navy, stronger in gun-power and man-power than Japan's navy, and giving on the Atlantic a fleet more powerful than the whole Atlantic fleet before 1917. The regular army will be strong and efficient with 100,000 trained men. Why do I say this? We have now in the country over 500,000 men who served in the navy during the world war and 4,000,000 who served in the army. Whether they are actually enrolled as reserves, they have had sufficient military training to constitute a strong reserve in any emergency that may occur in the

next ten or dozen years, and congress could call them back to duty upon a few day's notice. It cost millions to train them. We must recognize that they constitute a valuable potential reserve. Many of them are on a certain pay status. The possession of this reserve makes possible a smaller force of regulars.

SINCE THIS GOVERNMENT WAS ESTABLISHED IT HAS EXPENDED SIXTY-SEVEN BILLION DOLLARS. OF THAT AMOUNT FIFTY-EIGHT BILLION DOLLARS HAVE GONE TO PAY FOR WAR AND ONLY NINE BILLION DOLLARS FOR PURPOSES OF PEACE. AND WE ARE NOT A WAR-LIKE NATION. BUT SUPPOSE WE WERE: HOW MANY BILLIONS WOULD HAVE BEEN REQUIRED! NOW WE ARE CLEARLY UP AGAINST THIS PROPOSITION: DO WE WISH TO CONTINUE TO SPEND 58 DOLLARS FOR WAR AND 9 DOLLARS FOR PEACE OF ALL THE MONEY RAISED AND DO WE WISH TO CONTINUE OUR BIG EXPENDITURE FOR WAR? IF WE DO NOT—AND THAT IS THE CONSENSUS OF OPINION AMONG TAXPAYERS.—HOW ARE WE GOING TO RELIEVE OURSELVES OF THIS CONTINUING WAR TAX?

## ONLY ONE WAY

There is only one way: That is by an international agreement to submit national differences to arbitration in some such way as private difference are disposed of in court, and an international agreement to the reduction of armament. We must do that or we must settle down into a permanent status of paying out billions every year for protection. No big and rich nation alone can safely reduce armament. It must be done by agreement of navy-building and army-maintaining nations.

We Americans may as well face the responsibility which rests upon us. It is our nation which stands in the way. Reduction of armament will be an iridescent dream until the United States takes the lead. Why to I say this? Because all the other countries ratified the peace treaty embracing the league of nations. The central thought of that whole document was reduction of armament and settlement of world questions without resort to war.

"The league is scrapped," says Senator Lodge, "at least for four years." Certainly if Harding and Lodge agree to that statement, the league is scrapped. "Rest in peace."

But if the league has been interred—(indecently I think)—that is no reason why some modus vivendi cannot be found to bring about reduction of armament which was contained in its text. There are more ways to kill a cat than to choke it to death with butter. Long before the league of nations was drafted wise men urged some plan to stop competition of military preparations. The Hague Tribunal had that in view. Winston Churchill hinted at it in his plan for a naval holiday.

## 1916 NAVAL ACT POINTED WAY

The only concrete, practical, ready-made plan now available is contained in the naval appropriation act of August, 1916. That was the bill carrying the largest authorization for fighting craft ever voted in peace times by any country. It had its inspiration in Woodrow Wilson's declaration that this country should have "incomparably the most adequate navy in the world." In the epoch-making bill was incorporated the declaration:

"It is hereby declared to be the policy of the United States to adjust and settle its international disputes through mediation or arbitration to the end that war may be honorably avoided. It looks with apprehension and disfavor upon a general increase of armament throughout the world, but it realizes that no single nation can disarm."

In view of the policy of our country, thus perfectly stated in a few words, the bill provided the money to pay the necessary expense and "authorized and requested" the President to invite "all the great governments of the world to send representatives to a conference which shall be charged with formulating a plan for a court or other tribunal, to which disputed questions between nations shall be referred for adjudications and peaceful settlement, and to consider the questions of disarmament."

## PRESIDENT HAS AUTHORITY

That law and that appropriation gives President Harding the authority and the money to

call that conference without waiting for any further action by congress. He can do so tomorrow if he so elects. If he will call this conference this month, we can confidently look forward to securing international agreement and reduction of armament by every great nation before this year ends. Is there any country that would decline? If so, the world would know which country harbors the imperialistic desire to be another Germany.

UNLESS ACTION IS TAKEN AND TAKEN PROMPTLY LOOKING TO THIS WORLD-DESIRE, IT IS MORE THAN FOLLY TO TALK ABOUT REDUCING TAXES.

If President Harding would like a suggestion of the members of such commission, I venture to suggest its membership: Let him name the present Secretary of State, William Howard Taft, William Jennings Bryan, the present Secretary of War and his predecessor and the present Secretary of the Navy and his predecessor, and they will, acting with like commissioners from other nations, agree upon a plan for settling disputes in the forum of reason and will secure reduction of armaments.

Without such agreement, why deceive the people into believing that large reductions in taxation is possible?

## "LIKE A MIGHTY ARMY"

"Like a mighty army  
Moves the church of God."

President Harding has urged the nation to take to heart the ideals of Christianity and, as he has written, the ideals of Christianity have been taken to heart.

The figures of the church's growth since the war are amazing. Accessions to the Catholic church in this country have numbered more than one and a half millions, and to the various Protestant churches combined more than two millions.

The Baptists lead the Protestant denominations with 300,000 added to the church, both northern and southern branches; the Methodists follow with 191,000; the Presbyterians with 155,000; the Lutherans, with 110,000; the Congregationalists and Disciples, with 100,000 each.

Church contributions correspond to the increase in numbers. According to Catholic authorities, church gifts for benevolent and educational purposes are the largest in history. The Methodist church alone reports \$60,000,000 for church work and church extension in the last fiscal year.

Figures tell only a small part of the story. The church-going habit, if it was ever in danger, is in danger no longer. A canvass of the undergraduates of the University of Chicago, for example, last spring showed that almost 90 per cent of the students made church attendance a rule. Ministers all over the city report larger congregations. The attendance in one district containing eleven churches of different denominations is estimated at 75 per cent greater than before the war.

"Like a mighty army!" The greatest of all American Legion today is the legion of the churches of Christ.—Chicago Herald Examiner.

## BRITAIN'S BOOZE MONEY WOULD PAY HALF DEBT

A special correspondent from London, under date of Aug 5, says: During last year the people of the British Isles have spent for liquor about half the sum Great Britain owes the United States.

George Wilson, secretary of the United Kingdom Alliance, estimates the amount spent by the British people for drink last year at £469,713,000, or approximately two billion dollars.

John Bull owes Uncle Sam \$4,277,000,000 for money borrowed during the war. Not even the interest has been paid on that.

There were 57,948 convictions for intoxication in 1919 and 95,637 last year, of whom 15,425 were women. And British police are far more lenient than our police.

Many of the newspapers have been agitating for longer hours of opening of saloons. At present saloons may be open only eight hours a day.

If you want to quench your thirst after 5 p. m., the only place you can do it is in a saloon or restaurant or hotel. You can't buy any soft drinks elsewhere, nor ice cream soda. All these shops are shut by law at 8.

While we Republicans go out primarily for results, we are scrupulous as anybody when conditions permit, and it is a great relief to us not to need Senator Newberry's vote any longer.—Columbus Ohio State Journal.