

## REPORT OF R. I. TAX COMMISSION.

*(For the Review.)*

There are two recommendations of this "committee on the taxation laws," which, in the opinion of some of us here, will, if adopted, prove of more value to the cause of tax improvement, than would even the enactment of a local option in taxation law at this time. These recommendations are: First; "The separate listing of realty and personalty liable to the general property tax, under the headings of land, improvements, tangible personalty, and intangible personalty;" and Second, "Complete assessors' plats as a part of the public records in cities and towns." Some very ardent tax reformers entertain grave doubts whether, even if a local option in taxation law were in operation, it would be possible under present conditions to induce any taxing district in the state to exempt personalty and improvements from taxation. This, for the reason that we are not properly equipped to make a mathematical demonstration to the electorate of any taxing district of the inequities and inequalities inherent in the present lack of system. These tax reformers believe that with the adoption of the two recommendations mentioned this deficiency of equipment will disappear and that those who are working for improvement of the taxing system will be supplied with ammunition adequate to completely demolish the citadel of landlordism in Rhode Island.

The committee submitted a quite lengthy report under such headings as follows:

- State Tax Commissioner.
- Taxation of Inheritances.
- Taxation of Corporations.
- Taxation of Real Estate.
- Taxation of Intangible Property.
- The Tax on Real Estate Mortgages.
- Taxation of Tangible Personalty.
- Local Option in Taxation.

Here are a few gems culled from the memorandum of the committee on "local option in taxation."

"The advantage of local option in many instances is so obvious that the mere fact of attaching the phrase, "local option" to

any measure predisposes many in its favor without further consideration."

"Local option, the right of the individual municipalities to conduct certain of their affairs as the citizens may elect, is good or bad according to the effect produced on the State as a whole. If a certain municipality should elect to take advantage of the option of taxing land alone, and should thereby gain a material advantage, and force others into a similar method of taxation as a matter of protection, but greatly to their disadvantage, and greatly to the disadvantage of the whole State, it would be manifestly bad."

"The practical effect of local option in taxation would be a state of affairs which would be directly responsible for the unsettling of real estate values, with its attendant evils; and if carried to its logical conclusion, the results can scarcely be contemplated without alarm, and can be viewed complacently only by those who look without concern at the ultimate confiscation of the land."

"It is claimed, by the advocates of this system, that the advantages of exempting personal property from taxation will be so great that capital and enterprise alike will be attracted to the locality granting the exemption, and that other municipalities will, seeing the advantage, immediately follow the example set, and the result sought, a tax on real estate alone, be quickly accomplished. But this advantage, whether it be gained by the exemption of personalty alone, or personalty and improvements, immediately vanishes upon the universal application of the theory."

"The possibility of a sudden change in the methods of raising revenue which would be contingent upon the granting of the right of local option in taxation, would certainly in the opinion of your committee, cause apprehension amongst those who are already established in business, and would certainly deter any one locating in a city or town where the whole system of taxation might change from year to year."

"It does not seem reasonable to expect that capital and enterprise would be attracted to localities where revenue was raised by the levying of taxes under such unstable conditions."

"The provision of our constitution which prohibits anyone who has not been assessed and paid a tax, within the next year preceding, upon property valued at least at \$134., from voting for members of any city council or on any proposition to impose a tax, introduces a practical difficulty of considerable proportions, unless all except land owners or the owners of some particular class of property, as the case may be, are to be disfranchised to that extent. The logical outcome of any such provision of law seems to be that the land owners would practically exercise the power of option, and might shift the burden of taxation upon the personal property owner. All the personalty which could would, of course, escape. What was left would to a considerable extent be confiscated, and the land owner would have done nothing more than what had been intended for him."

"When it is considered that more than two-fifths of the net revenue of the State is derived from the direct taxation of the several cities and towns, based upon their own valuation, the necessity of uniformity seems imperative."

"Even if State and local revenues were entirely separated, which would eliminate many of the practical difficulties incident to the operation of the system at present, the method would still violate what is recognized in the theory of modern taxation as a fundamental principle, that each should contribute to the support of government according to his ability."

"Under the circumstances, your committee feels that it cannot recommend local option in taxation."

And there you are. The committee sees plainly enough that to concentrate the taxes upon land values only, would reduce the price at which land would sell in the market, and of course it sees also, although it doesn't say so, that to take all of the rental value for public use would destroy the selling value of land. If that were done land would have no selling value, which is a much desired consummation.

The committee assumes that land is property, which, while true in a legal sense, is not true and cannot be true in morals. The earth is for all, not to sell but to use

and only to use. If any is excluded from any portion of the earth and fails to be compensated for such exclusion he is robbed. Objection is sometimes made by avowed Single Taxers to the use of this term, but what term will they use to describe society's treatment of the landless man? When I hear this objection the query, "If property in land isn't robbery, what is the Single Tax?" always suggests itself. The truth is that property in land is robbery, and that it is robbery and nothing else but robbery must be made plain and iterated and reiterated until it is recognized by a sufficient number of people to force its destruction. Chattel slavery was not destroyed by patting the slave owners on the back; the institution was destroyed by holding up its iniquities and its hideous injustices to the execration and the scorn of men. Likewise if landlordism is to be destroyed, it will not be done by patting the landowners on the back, but, as with chattel slavery, its destruction must come from an exposure of its enormities which are to the enormities of chattel slavery as 1000 to 1. Who ever heard of the family of a chattel slave starving to death, because the father couldn't find a job?

Just a word about the committee's "fundamental principle in the theory of modern taxation, that each should contribute to the support of government according to his ability." I wonder how the committee would like to pay for the service of his tailor, or his blacksmith, or his grocer, or any one else whose service he buys, on what it calls a fundamental principle of taxation. And why should the service of government cost one man more than another unless he receives greater service than another? And how does the ability of a citizen to pay, furnish a more accurate measure of benefit received from government than from the tailor or any one else? It doesn't, and there is no way in which the service rendered the citizen by government can be measured except by the value of the special privilege he enjoys at the hands of government; whether such privilege consists in exclusive possession of a piece of land, or in the exclusive privilege of furnishing transportation or light, or

what not. The value of such privilege, and not his ability to pay, is the exact measure of what the citizen should contribute to the support of government, our committee to the contrary notwithstanding.—GEORGE D. LIDDELL, Providence, Rhode Island.

#### A SINGLE TAX BILL IN NEW YORK LEGISLATURE.

Assemblyman Wilsnack has introduced in the assembly at Albany the following bill which is in the nature of an amendment to existing exemptions. It has been referred to the Committee on Taxation.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Sec. 1. Section four of chapter sixty-two of the laws of nineteen hundred and nine, entitled "An act in relation to taxation, constituting chapter sixty of the consolidated laws," is hereby amended by adding thereto, at the end thereof, two new subdivisions, to be subdivisions twenty-one and twenty-two, to read as follows:

21. All personal property.

22. All buildings or other structures on real property; but wharves, piers, or other structures on land leased from the state or a municipal corporation shall not be included in this exemption until the leasehold term expires or the lease is otherwise canceled.

Sec. 2. This act shall take effect January first, nineteen hundred and eleven.

Addresses were made on the merits of this bill to the Legislative Committee by George Wallace and Joseph F. Darling.

"Tolstoy on Land and Slavery" is a pamphlet of 81 pages with extracts from the writings of the great Russian on the land question. It is compiled by Ethel Wedgewood, the wife, we believe, of Josiah Wedgewood, M. P., one of the staunch Single Taxers of the English liberal party. The extracts judiciously selected and admirably arranged, are short and telling. It is published by *Land Values*, 13 Dundas street, Glasgow, and the price is three pence.

#### BOOK REVIEWS.

##### AN IMPLICATION BY A PROMINENT WRITER.

A recently published second edition of a work entitled "Progressive Taxation in Theory and Practice," is due, in part, to its "projected appearance" in a French translation. The preface to this second edition affirms that an "endeavor . . . has been made to bring the book down to date. . . In all the essential conclusions" . . . the author has "found no occasion for any substantial modification of the views which were originally set forth" in the first edition, published some fourteen years ago.

As the author of this work is a "prominent writer" and an admitted authority on taxation his "conclusions" should have more or less weight even with Single Taxers—misguided and simple minded though they are—and as I have read this elaborate treatise very studiously and with the best of intentions, I am prevailing on the SINGLE TAX REVIEW to furnish forth to its readers some choice excerpts therefrom. I shall not presume to offer any criticism but will call special attention to passages which I consider particularly interesting to Single Taxers by asking the REVIEW to present them to its readers in italics.

The distinguished economist's work—of which a French translation is projected, is very obviously the result of a prodigious amount of research. Untranslated quotations from "prominent" French, Italian and German writers bear unmistakable evidence of the scope of his investigations. I myself had no idea that there were so many prominent writers in the world. I had read Adam Smith and Mills and Spencer and Carey and Marshall and Seligman—"Essays on Taxation"—and a lot of other prominent writers, but I could never hope in this world to read the host of prominent writers which presumably our distinguished author knows, from A to Izzard. "Progressive Taxation in Theory and Practice" is encyclopedic. Out of all the material at hand one is justified, I think, in looking for a definite outcome—the establishment of a principle in taxation which will stand alone without the support of