

marching feet, 'Sammy [Samuel J. Tilden], pay your income tax.' And the great public would never have known—nor, indeed, have greatly cared—whether Mr. Tilden had paid it or not, if the charge had not been brought against him by officers of the Government for the purpose of injuring his candidacy. And even had he made his returns with the most scrupulous fidelity to truth, the charge might still have been yelled by noisy throats in political parades as a catching campaign cry. It is no minor argument against the income tax—against all taxes the returns of which are not readily verifiable—that they admit of just such charges in times of political excitement, and for partisan purposes urge men to magnify the evils of tax evasion in the individual, which is a common practice among the many.

"To persons of a deficient comprehension of public morality, the income tax seems a justifiable method of getting something out of the rich man's coffer. To persons who take predatory views of taxation, the question as to what right the public has with the rich man's wealth will seem like the query of an idiot. And yet, if there is such a thing as national or public morality, it is an extremely pertinent question.

"The idea seems to be almost universally shared that an income tax is a just tax because levied only upon those able to pay it. This is no proof at all of its justice, any more than Dick Turpin's practice of taking from the rich to give to the poor is an adequate defense of Turpin's profession. Its advocates may talk of its justice, but the advocacy is full of a greedy snarl. * * *

"The justification most frequently urged for an income tax is, it seems to me, its fullest condemnation. Taxation has its ethics; how can it be right for the public to take from a man merely because he is rich? Are riches a crime? Are rich men, *per se*, a danger to the community? That there are men richer than they ought to be, is true; that great riches, united with great poverty, menace civilization, is true; that the constitution of society is such, that taxation is such, as to unjustly swell the incomes of the rich, is also true; but is an income tax therefore a just tax? Think a moment. There are men of large incomes who earn them. Howe, McCormack, Goodyear, Edison, are men who returned to society every penny they received a hundred fold. To deprive them of any portion of their income is not only unjust but impolitic. We want more Howes, Goodyears, Edisons, McCormacks, and their fortunes can scarcely be too large. Society should hold out every inducement to searchers for the secrets of nature, who harness the elemental and mechanical forces to do man's bidding, who prepare the way for the time when mankind, raised infinitely higher, and resting from merely physical labor, shall devote the godlike powers of mind to the solution of the deeper problems of their spiritual being.

"A tax on incomes? The income of the coupon cutter and the inventor! The income of the Astors, whose land earns money while they sleep, and the income of the man whose genius shall reduce the cost of making aluminum, thereby revolutionizing a thousand processes of manufacture! The income of the man whose capital earns his money, and the income of the man whose brain earns it! The income of Carnegie and of Dr. Shradly! Of Mr. Gould, and Bell of telephone fame! Lump all these results of exceptional abilities and legislative monopolies together, call them incomes, and then swoop down upon them with a tax!

"The objections against an income tax may be thus summed up:

"In its theory (as a mode of encouraging a more equitable distribution of wealth), fallacious.

"In its discrimination, unjust and impolitic.

"In its operation, unequal.

"In its practice, inquisitorial and corruptive.

"The reasons which appear to justify an income tax arise from a superficial analysis of the social problem—from that superficiality which concerns itself with the flowering effects rather than with the causes at the root. This superficiality it is which urges Governors and legislators, who have not the inclination nor indeed the leisure for

the study of these problems, to seek a remedy for the inequalities in taxation in more rigorous measures of assessment and collection, with a vain hope of doing, under a republican form of government, with only the power of civil courts, what Rome with her tremendous military organization, with rack and thumb-screw, and England, under King John, with her inquisitorial surveillance and bodily persecution of the rich Jews of the kingdom, signally failed to accomplish.

"The problems now crowding in upon the Republic are not to be solved through any additions to or changes in the restrictive measures by which the nation has so long cramped and curbed its energies, taking an eagle for its symbol and moping like a snail, singing of liberty and binding itself with tariffs, claiming to be a refuge in which all are equal before the law, yet giving out manufacturing and trade monopolies to eager and greedy almoners more lavishly than even good Queen Bess had dared.

"The Republic has come to the parting of the ways. As it turns from the darkness of tariff laws, let it set its face fairly and fully toward that liberty in which no man's earnings shall be subtracted from, and all the natural and helpful activities of society be left to do their perfect work, free from governmental interference, which shackles the strong arm of labor, burdens trade and commerce, destroys individual integrity, and alone prevents the Republic from taking the position among the nations of the earth to which her natural advantages so justly entitle her."

The Sales Tax

THE Sales Tax differs from the "turn-over tax" by being exacted only once, usually by the wholesaler or manufacturer, from the retailer. As the Sales Tax adds at least the amount of the tax to the retail price collected from the consumer, it inevitably reduces the effective demand for goods just to the extent of the increase in price. Thus a Sales Tax of five per cent will reduce the market for goods at least five per cent, and will inevitably increase unemployment at a corresponding ratio. The present depression has been marked by an exhibition of utter incompetence on the part of our legislators to do anything constructive to relieve unemployment.

The levying of taxation which must be paid by industry in order to get a fund to employ men on wasteful public works for relief, defeats its own end, for such taxation, by interfering with production and exchange, creates unemployment and reduces the demand for goods in other quarters.

In Canada, as a result of the Sales Tax and other taxes on production and consumption, including what amounts to an insane embargo on imports which our tariffs effects, our international trade in the last two years has been reduced by close to two thousand millions of dollars, and our unemployed have doubled in number.

No attempt or even suggestion on the part of our legislators has been made to encourage private enterprise, upon which employment depends, yet it would be a very easy thing to do. It can be done by any Province or State, or even a municipality, if it had adequate local self-government in matters of taxation. It only needs a little thought to realize that men, being land animals, must use land. Our food, clothing, tools and even our bodies are drawn from

land by human labor, and the condition upon which land can be used will determine the existence of good or bad times.

No one made the earth. It is, as Henry George expressed it, "the continuing gift of God to all generations of men, all of whom may use it and none may claim as his alone." Therefore, men who hold valuable sites idle are keeping men idle. Every piece of land is a potential job.

The value which attaches to land apart from improvements is the result of the presence of people and the services supplied by the community out of the tax fund. Today if any one erects a building, or starts a business, his taxes are increased so that practically the employment of labor is an offense against the law punishable by a fine in proportion to the magnitude of the offense.

Suppose, as an emergency measure, there was levied a super-tax on all vacant land in towns and cities, say to the extent of five per cent per annum, and for the purpose of the act all land where the improvements were assessed at only one-fifth of the land value should be classed as vacant land, and in order to effectively encourage the productive use of land that new buildings erected upon such vacant property be exempt from taxation for a period of say five years, or during the operation of the super-tax, it would do more to restore prosperity than all the schemes of all the governments of the world to date. The following are some of the advantages of this measure:

It is entirely within the power of the State government.

It will not cost the State one cent.

It will not cost the municipalities one cent.

It will give the municipalities additional income which can be earmarked to provide either temporary employment or temporary relief.

It will immediately encourage the employment of labor by forcing vacant land into use.

It will not penalize enterprises, but will offer powerful inducements to use land for the erection of buildings.

It will increase the supply of houses in the municipality where today thousands of families are living two in one house.

It will cause the removal of the ramshackles and unsightly and obsolete buildings which now disgrace our downtown and main business streets.

It will immediately furnish employment and inside of a few months absorb a great proportion of the unemployed.

It is the only way yet suggested of encouraging private enterprise.

A tax on the value of land is the only tax not paid by industry. It is the only tax which would give an incentive to the use of land and the employment of labor. It does not tax anything that the owner has produced, but takes for public use a part of the value which the public has created. It is just, easily collected, cannot be evaded or passed on. Carried to its logical conclusion, it will destroy monopoly, abolish unemployment, and make hard times a thing of the past.

A. C. THOMPSON.

Toronto, Canada.

Arthur C. Pleydell

ARTHUR C. PLEYDELL departed this life the morning of May 31. His death, told of in our last issue, resulted from an acute attack of indigestion. He was sixty years of age. Private funeral services were held at the home of his daughter, Mrs. M. W. Wassman, and were attended by about seventy of the family and friends, among whom were many of his associates in the Henry George movement, and extracts from "Progress and Poverty" were read by the officiating pastor. Mr. Pleydell is survived by his widow, to whom he was married in 1896; two daughters, Mrs. Wassman and Frances Pleydell, and a son, Albert.

He was for many years secretary of the New York Tax Reform Association and was an internationally known authority on taxation. He wrote into the constitutions of a number of States important tax provisions in the course of his active career and appeared frequently before Legislatures in advocacy of administrative tax laws. In cooperation with Lawson Purdy he obtained the passage of an amendment to the New York City charter providing for the separate assessment of land and improvements. In 1911, Woodrow Wilson, then Governor of New Jersey, appointed him on a special tax commission to improve the assessment of real property in the State. After Mr. Wilson's election to the Presidency he frequently consulted our friend on tax matters.

His services to the Henry George movement can hardly be overestimated. His editorship of *Justice* gave him opportunity to show the qualities of his mind, keen, analytical searching. His early association with Frank Stephens A. H. Stephenson, the Hetzels, father and son, in the city of Philadelphia, helped to sharpen the already acute intellect. He was always a great debater, though not an orator. He was quick to see the weak points in the argument of an antagonist, and it was a treat to see him in action, as we were permitted to do at two conventions of the National Tax Association.

Though busily engaged in tax matters, his interest in the Henry George movement was something very different. So convinced was he that the real thing to be desired was the understanding of the rights of men to the earth that he was frequently heard to say that if some plan other than the Single Tax could be suggested he would gladly welcome it. For he had, curiously enough, an instinctive distrust of taxes and tax methods. Then his mind was analytical; he took nothing for granted and was forever examining the conclusions of yesterday in the light of today's impression. We used to quote to him Dr. Arnold's favorite saying that he rose every morning with the conviction that everything was an unsettled question, which quotation seemed to please him. But of course he did no doubt at any time that George's remedy was the correct one.

He was one of the most useful members of the Robert