

Tax Yield: Bootleggers, Rum Trusts

High liquor taxes, the International Association of Chiefs of Police was told last month, are the cause of post-prohibition bootlegging.

Declaring that in most places there was a \$3 tax on a gallon of alcohol that cost 20 cents, D. Frederick Burnett, New Jersey liquor control commissioner, said: "That's why we have bootleggers. That's why we are always going to have bootleggers until the tax is radically slashed and the dangling temptation removed."

Because of the high tax, he told the chief's annual conference, the bootlegger is able greatly to undersell the honest purveyor.

This brings to mind a lecture, later published in pamphlet form, by an economist of the last century entitled "How to Destroy the Rum Power." In that lecture facts were brought to light, which, had they been followed, would have made the remarks of Mr. Burnett unnecessary.

Had the political powers applied the principles outlined by Henry George, the problems confronting the law enforcement bodies might have been minimized.

The revenue tax imposed on liquor inevitably results in the multiplicity of laws, the complexity of law enforcement, and the corruption of public office. Mr. Burnett says, "Laws should not be put on the books unless they are meant to be obeyed, are capable of enforcement, and are going to be enforced. * * *"

It is ironical that laws intended for social benefit and protection are more dangerous than the evils they would guard us from. Intemperance and the frightful consequences that follow the abuse of liquor, whether good or poisoned, are of small consequence as compared to the sapping of the social structure resulting from the created privilege of unjust taxation.

The public is exposed from every angle by the liquor revenue tax. The liquor interests go through the form of paying the taxes which they shift to the liquor consumer. Thus they have a privilege which excludes the small individual who wishes to op-

erate on his own. Liquor trusts spring into being and from them lobbies spawn, and political offices are controlled. Needless to say, the price of liquor to the consumer may be manipulated and the process of monopoly carried to its logical end—the exploitation of the public.

The bootlegger and his anti-social mechanism springs into being and flourishes under this tax. Fortunes are made by vicious men who put their creatures in places of power. Further ramifications must follow and the social fabric is undermined

by criminals. Then they join hands with the liquor trusts in demanding that this revenue tax remain; and their money speaks.

As the tax makes trusts inevitable, it also makes bootlegging a profitable concern.

Caught between these fostered vices, the public office becomes corrupted and the burden of taxation bows the public mind to the tragic realization that statute laws will not replace moral justice.

—Henry George III.

See: "Progress and Poverty," pp. 428-429.