

There's a Better Way

★ WE ARE being flooded with plans for social security in a post-war world, each calling for a greater outlay of public funds than its predecessor. Whatever revenue the government spends must first be collected in the form of taxes, 90% of which, in all probability, come directly or indirectly out of the wages of labor. The greater the expenditure, therefore, the heavier the tax burden and, an inevitable consequence, the lower not only the wages of labor but also labor's standard of living.

The mass of people may be divided into three groups: the unemployable, who cannot earn enough to keep body and soul together, the large body of wage earners, and the relatively small high-income group.

As taxes mount, net wages fall, and more and more laborers are forced into the lowest bracket and become dependent upon social security and other charitable agencies.

So long as such plans, through higher taxes, make for lower net wages, they are doomed to failure, just as similar schemes in the past have

proved unworkable, or at least highly extravagant since their cost was entirely out of line with benefits conferred. The present tax system, while purporting to afford some degree of "equality of sacrifice," actually promotes gross inequality, and this will continue to be the case as long as the great bulk of taxes comes out of the earnings of labor.

How different the result would be if taxes were taken from a source other than wages. That other source, at present largely tax free, is economic rent, or the site value of land. Let the government turn to that huge reservoir and it can take the greatest step of all in the direction of social security by lowering taxes on labor and labor products, increasing net wages, and ending unemployment. Those things accomplished, labor will be in a position to take care of its own social security problem, in self-respecting fashion and without any pap from a paternalistic bureaucracy calling itself the government.

—C. L. HUCKABONE