

Taxation for Reform

BEFORE THE DEMOCRATS and the Republicans absconded with Socialism, before World War No. 1, the political platforms of the several American socialistic parties advocated taxation for reform rather than for revenue. Their planks usually advocated using the tax machinery to abolish capitalism.

This realism of the Marxist politicians has been demonstrated during the past eight years by the New Deal in its use of fiscal powers to regulate and shape the course of industry.

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And now the national defense program is giving further evidence of how taxation may be used for regulatory purposes. Not that the government's main objective is not to raise money, but that in imposing levies its aim is sociological as well as financial. It seeks to control the people by controlling their purses. Government power is as much the motive of fiscal plans as is government profit.

How many cigarettes a man may smoke, how many miles he may travel in his automobile, how many movies he may see, how many drinks he may take—all the satisfaction which a man may purchase with his wages are being pre-determined by the Treasury Department.

The preoccupation of that department is not only with the need for income for the cost of rearming but also to avoid inflation, with the need of siphoning wages out of our pockets before we can spend them. We must be regulated for our own good; and *that* is the basic tenet of the collectivism we have declared against.

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So, as we get further into the war, we can expect an increase in excise taxes to the point where what is left to us for our living will be what is needed for living. Our existence standards will be planned by our tax bill. Everything we earn above bare living expenses will be taken to defray the cost of war.

The taxes which hit the consumer hardest—those falling directly on commodities—will be augmented by levies on capital, on the savings which expand and accelerate the means of production. Excess-profits taxes will discourage profits, and therefore, production. Less production will enhance prices, thus further reducing the satisfactions for which man labors.

A like result can be expected from mounting surtaxes on incomes. Why work for more when it is to be taken from you? And the lowering of exemptions on the middle-class incomes will further deplete consumers' purchasing power.

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The answer to this riddle of decreasing production, the source of revenue, by increasing the levies on production can be only one thing; an attempt by the government to become a producer. Our wages will become the government's capital.

Already in war industries plants are being erected with public money because private finance is wary of the venture. What will prevent the government from going into production of consumption goods?

In some states the retailing of whiskey is already a government enterprise. Now that the Federal government is making and selling electricity why shouldn't it make and sell light bulbs?

Thus taxation becomes an instrument for reform. Reform to what? Collectivism. To a mind bewildered by circuitous methods the thought comes that collectivism might be adopted without the expense and tragedy of war.

But, it is said, taxation for reform will cease when the war is over. That remains to be seen.

To Cut the Gordian Knot

