

Something New in Taxation.

Persons who may have been disposed to accept the time-honored statement that there is nothing new under the sun should not be too confident in their faith. The erudite editor who recently declared his opposition to the system of taxation in Edmonton, Alberta, which exempts buildings from taxation, and proposed in lieu thereof a plan to tax each floor of a building, came painfully near to disproving the old adage. Not only would the editor tax each floor of the building as though it were an additional lot, but he would grade the tax on the several floors according to the business conducted on them. This would seem to have the merit of discouraging the erection of fifty-story skyscrapers; but otherwise the substance of the proposition differs in form, rather than in essence, from the method so widely practiced in this country. We do not tax a two-story building twice as much as a one-story building, but we do pretend to tax a two thousand dollar building twice as much as a one-thousand dollar building. That is to say, the more a man does for the community, the more labor he employs, the more service he renders to society, the more we fine him. If he holds valuable land idle, land that has been made valuable by the industry of the community, we fine him lightly; but the fine is increased progressively just to the extent that he attempts to serve society. Our original editor is trying to systematize piracy.

s. c.



Congressional Duty and the Deficit.

President Wilson, having officially informed Congress of a prospective deficit, properly leaves to that body determination of the manner in which to meet it. If Congress were a statesmanlike body the problem would be easily solved. There is but one source from which public revenue can properly be taken. To that source, land values, Congress would turn if its members possessed more knowledge of or interest in the principles of political economy. Since we do not happen to have that kind of a Congress we must make the best of a bad situation. The members should be warned away from such inexcusable taxes on industry as are being suggested. Taxes on moving picture films are being suggested, which will place a handicap on a cheap, popular and useful amusement. Taxes on railroad tickets is another suggestion, which will increase the already high cost of traveling. Most of the other suggestions are aimed at industry and will if adopted increase the cost of living.

Congressman Bailey's bill for a supertax of five per cent on incomes over \$20,000, while not strictly in accord with sound economic principles, as Mr. Bailey realizes, has nevertheless the advantage of falling mainly on unearned incomes, and of being free from many objections that apply to the propositions which Congress seems most disposed to adopt. It has the additional advantage of being in accord with principles which many congressmen loudly proclaim on the stump but silently dodge when it comes to a vote. Mr. Bailey will force every congressman, whether he votes or dodges, to make clear whether he prefers further burdening of the poor to slightly reducing the incomes of the rich. The vote may take the form outright on his proposition or in upholding some parliamentary quibble to smother it. In either case its meaning will be clear.



Congress can honorably avoid taking a position on the tax question by cutting down expenses. In view of the probable unwillingness of the body to adopt any other than a most burdensome form of taxation, such economy would be desirable. The elimination of "pork barrel" appropriations is being urged and if that should be done it would, under the circumstances, be a welcome solution. At the same time a better place to economize would be in appropriations for the army and navy. s. d.



"Rational Tax Reform" In Oregon.

In desperate need of arguments must be the opponents of the proposed constitutional amendment in Oregon for exemption from taxation of \$1,500 of each citizen's personal property and improvements. The measure will practically remove from the tax rolls all at-present-taxable property owned by a majority of farmers and small home owners. Yet in spite of this fact the "Oregon Rational Tax Reform Association," as the organized opposition is called, has sent broadcast to the press a circular stating that it "will increase the farmers' taxes from 35 to 50 per cent." Possibly the association has "farmers" in mind who live in the cities and own unused land in the country or hold mortgages on farms worked by members of the class to be exempted.



Another statement is made to the effect that a singletax law in Alberta caused such suffering that "after five years of experiment they had to modify their system and adopt one which permitted them to tax personal property and improvements."