

### 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."

Since the Oregon proposition is not singletax, the statement about Alberta is irrelevant, even if it were true—and it is not true. No place in Alberta that has adopted the singletax has gone back to taxation of personal property and improvements. Nor is it true that municipal singletax caused any suffering in Alberta. The statement is the more inexcusable because the writer of it says: "I was up there and made a thorough investigation of the entire situation." Another assertion is that "Pennsylvania, Massachusetts, Rhode Island, Iowa and one or two other States are successfully taxing intangible wealth." Residents of those states will feel on reading that, that it is necessary to go to Oregon to learn the facts concerning the working of their tax systems.

S. D.



### Tax Restriction and Prohibition.

Ohio votes this fall on prohibition. Since the liquor business contributes several millions annually to the revenues of the State, the question comes up how to make up this loss should the prohibitory amendment be adopted. The prohibitionists usually have an answer ready. The deficit can be made up by levying taxes on something else than liquor. But they are estopped in Ohio from answering thus this fall. There is pending in addition to prohibition a proposition to limit local tax rates to one per cent and under certain conditions to one and a half per cent. The adoption of this amendment will make impossible any increase in the tax rate. In many cases it will compel a reduction regardless of local needs. Even with the revenue from liquor licenses this tax restriction amendment, initiated by the State Board of Commerce, will cripple and perhaps bankrupt many localities. If in addition they should be deprived of liquor revenue their condition will be desperate indeed. It is the plain duty of those who support prohibition to defeat the tax restriction.



Clearly insincere is the plea in its behalf made by the State Board of Commerce, that "it will make the singletax impossible." The Ohio Constitution already makes impossible any other system than the general property tax. No amendment is needed to prevent the singletax—even if that plea were anything more than an appeal to ignorance. What the State Board of Commerce has concealed is the fact that it will make impracticable, if not impossible, any important change of any kind. It will benefit none but monopolistic interests, which will be protected from increased taxation and from municipal ownership movements.

S. D.

### Woman Voters and Progressive Policies.

An active force for progressive legislation in Illinois is the Woman's Party of Cook County. This organization is not, as its name might indicate, a political party, but a non-partisan organization working for measures of interest to all citizens. During the primary campaign it has been busy questioning candidates, especially those for legislative positions. The questions asked relate to the candidate's position on the Initiative, Referendum, Recall, full suffrage for women, reform of primary election laws, short ballot and other matters. On the taxation question the advanced position of the organization is shown by the following question: "Do you favor an amendment to the constitution to reduce or abolish the tax on personal property, and improvements, and increase the tax on land values?" A woman's organization engaged in such work is in itself a refutation of the doleful prophecies uttered by opponents of equal suffrage concerning alleged bad effects of that reform.

S. D.



### THOUGHTS FOR LABOR DAY.

What constitutes useful service, labor, the effort of which is to be rewarded, can be readily determined by society; and the value of such service, the wealth which should go to any particular man for the labor he has performed, will be easily enough measured when society is free to act upon its own desires and is not forced to either extortion or tribute by any form of monopoly, special privilege or compulsion. When a man may sell, unhindered and unaided, his services or the products of his labor to other men, and receive the full economic value therefor, there will be no difficulty in determining what constitutes valuable service or valuable product, or in determining the value of either of these.

A condition under which this may be done is not so difficult of attainment. It is indeed comparatively easy. Primarily, and probably exclusively except for some minor regulation, we have simply to abolish private property in the location value of land. Since that value exists and must inevitably continue to exist so long as society itself continues we cannot abolish the value, but we can nullify the unnatural and absurd private claim to it by taking it in the form of a tax for the benefit of society which creates it. When that is done, there will no longer stand at the elbow of every man selling his labor, his wares, his services—synonymous terms—that relentless even if not always readily distinguishable foe of progress and