

# A Corset on the Economy

By Bolton Hall

The injurious Federal tax on surplus earnings will not be a wholly unmixed evil if it results in convincing the American people that all taxes on production and trade are injurious to economic well-being. The worst feature of all the new taxes imposed since 1932 is that by decreasing the supply of capital they are checking our industrial development and increasing the numbers of the unemployed. In effect, all these taxes on production and trade are equivalent to a tax on the farmers' seed wheat. A tax on wheat intended for sale is a minor matter. A tax that takes from the supply of seed wheat causes great injury.

Taxing capital that should be invested in new industries, or in the extension of existing productive enterprises, operates to increase prices of commodities, and thus decreases the purchasing power of the consuming public. This is true of the sales tax (which is legalized petty larceny) and all the rest of our many nuisance taxes.

These taxes don't even pretend to give us anything in return for them. It's most of them that the poorer

people pay and little of them that the poor people get.

The theory of our lawmakers on the tax question seems to be that of the street fighters of my native city

of Ireland, "Whenever you see a head hit it." Whenever you see a useful industry, tax it. Isn't it about time that we abandoned our crude methods of taxation and adopt the scientific system of raising revenues by taking for public purposes the land values that are created by the public?