

the taxes that ought to be paid by the owners of invisible property. The farmer, for instance, has his money invested in lands, in improvements and in stock. All of these can be found and their value estimated. If, in the cities, there are people of great wealth who, instead of owning lands and buildings and cattle and hogs, own money, and notes and bonds, is it fair that the owners of money and securities shall be exempt from taxation? The man who loans usually requires security—not only security but a margin to cover possible shrinkage in the value of the property upon which the security rests; that is, the man who owes him must suffer a considerable loss before the creditor suffers any. Is it fair that the man who thus must take his chances upon the seasons and run the risks of business should also pay the taxes of the one who is able to protect himself from ordinary risks and chances? If the law is made by those who escape taxation, are they not taking the property of others in violation of morals even when they act in accordance with the laws which they have secured?

The government is a mighty power for good or for evil, for justice or for injustice, and when the government itself can be manipulated for the enforcement of a law which rests upon injustice, great harm can be done. Is it stretching the definition of larceny to make it cover the wrongful taking of a man's property through unjust legislation? I might hesitate to use such strong language were it not for the fact that the supreme court of the United States has used just such language in what is known as the Topeka, Kansas, case. Justice Miller, in delivering the opinion of the court, said: "To lay with one hand the power of the government on the property of the citizen and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes is none the less a robbery because it is done under the forms of law and is called taxation."

"Robbery" is even a stronger word than larceny, but I am so conservative in my language that I prefer to use the more polite phrase and leave the harsher terms to our court of last resort.

In national taxation we have not made as near an approach to justice as we have in state and municipal taxation. In national taxation we collect almost all of our revenues for the support of the federal government from internal revenue taxes and from import duties. These taxes rest upon consumption and are collected in proportion to consumption. We tax people according to their needs rather than according to their possessions, and men's needs are more uniform than their possessions. Men do not use tobacco, consume liquor, buy food or wear clothing in proportion to their wealth or in proportion to their income, and taxes upon consumption always overburden the poor and underburden the rich. When the income tax was under discussion, it was insisted that it collected a tribute from thrift and industry, but are not all taxes income taxes? They must be paid out of the income even though they are not proportioned to the income. Taxes upon consumption are therefore income taxes; they are more than that, they are graduated taxes upon income and the heaviest per cent falls upon the lowest income. Adam Smith has laid it down as a rule that people ought to pay taxes in proportion to the benefits which they receive from their government, and those who look to the government for the protection of large possessions ought to be willing to pay in proportion to the protection which they receive. Our police offices, our fire departments, our courts and our armies and navies are supported more for the protection of property than for the protection of life, and it is only fair that taxation should as far as possible take into consideration the benefits given in return.

I am aware that it is not possible to devise any system of taxation which will be perfectly fair and absolutely equitable, but I am afraid that we have not always made justice and fairness the first consideration. The income tax has been opposed by men who would have their taxes increased and by men whose taxes ought to be increased, and I have had a suspicion that our import duties have in some cases been levied for the purpose of giving some industries an advantage over other industries—to give a few of the people a profit at the expense of the rest of the people. The reason why unjust taxation continues is that those who receive in large quantities exert an undue influence upon legislators while those who pay each a small amount are too often indifferent to the exactions.

The contest between the taxpayer on the one side and the tax eater on the other is always an unequal contest because the tax eater is vigilant and ever present while the tax payer is at home trying to make enough to meet the next assessment. For this reason appropriations grow apace and unjust systems of taxation find eloquent defense from orators and newspapers. If I were to attempt to enter into detail, I might run counter to the pre-conceived notions of many in this audience, but I venture to call your attention to the subject in the hope that as conscientious men and women you will study the question of taxation with the determination to eliminate the element of larceny wherever it appears and put taxation upon a just foundation so that each citizen will contribute his fair share to the burdens of the government under whose protection we all live.

And now if you will bear with me a moment I will take up another subject which illustrates how larceny can be practiced by law. A change in the monetary standard of a country affords an opportunity for the wrongful taking of property. A few years ago the debtor class in this country was complaining because of a rising dollar. During the last few years the creditor class has been complaining of a falling dollar; that is, from 1873 to 1897 the general level of prices fell and, roughly speaking, a dollar would buy more and more each year. From 1897 up to a few months ago prices have been rising and a dollar would buy less and less each year. Now there can be no doubt that falling prices help the man who owns the dollars while rising prices help the man who owes dollars. I do not know that it is necessary to elaborate upon this, because the quantitative theory of money is now generally accepted, and the quantitative theory of money is stated in the proposition that, other factors remaining the same, the purchasing power of a dollar decreases as the number of dollars increases, or to state it in a different way, prices rise when the volume of money increases. When the general level of prices rises or falls, all business is adjusted to it but some things more slowly than others. There are certain fixed charges, such as the expenses of government, which do not respond quickly to a change in the level of prices. Take, for instance, debts, railroad rates and official salaries. When prices were falling the dollars called for by a note or bond increased in purchasing power, and the one who collected the dollars, collected this increase, his principal rising in fact though not in figures. The interest itself increased, for while the rate remained the same, the purchasing power of the annual interest grew. And so also, with railroad rates. A fixed rate per ton or a passenger rate of three cents per mile became more and more to the railroad and cost more and more to the shipper or traveler. In like manner official salaries though not increased in amount, became heavier upon those who, through taxation, paid the salaries. Since prices have been rising and the reverse has been true, and the fixed charges in the way of debt, interest, rates and salaries have been more easily paid. If a change in the volume of the money is made deliberately and intentionally, those who make it are morally responsible for the injustice done and they must be prepared to show that, all things considered, the change secures a larger measure of justice, or a nearer approximation to justice.

I have not mentioned the subject for the purpose of criticising those who have endeavored to enlarge the volume of currency or those who have endeavored to contract it; I have referred to the matter merely to show that, through monetary legislation, it is possible to take money from one man and give it to another, and it follows that unless this legislation is based upon sound arguments and the laws made in the interests of justice, the taking may not only be wrongful but the injury very great.

The ideal monetary system would be one in which the purchasing power of the dollar remained the same yesterday, today and forever. Then business could be done upon a level plane and no one would secure that legislative advantage which, whether it be great or small, is necessarily attendant upon a change in the average purchasing power of the dollar. In 1896 bimetallicists contended that an enlargement of the volume of the currency was necessary to protect society from the effect of falling prices, an effect recognized by all civilized countries in the various international conferences that were held. It was admitted that in the restoration of bimetallicism there would be instances of individual injustice, but it was contended that the restoration of a just level of prices would, on the whole,

promote justice. Those who at that time defended falling prices and complained of bimetallicism are today using the arguments of bimetallicists and pointing out the fact that the dollar which rises in value, like a dollar which falls in value, brings injustice to some.

Surely in the consideration of so great a subject as that of money care should be exercised to reduce to the minimum the injustice done and to increase to the maximum the stability of the dollar as a measure of the value of all other property.

The subject of private monopoly furnishes us another illustration of larceny, and here it is not petit larceny nor even grand larceny; it rises to the proportions of a glorious larceny not only because of the amount taken, but because of the respectability of those who received the stolen goods. The object of a private monopoly is to control the price of the thing sold. It is to corner the market. The theory is that man's necessities require him to buy certain things which sustain his life and add to his comfort. Where there is competition the sellers bid against each other and the purchaser is able to secure what he needs at a price which is approximately fair. If, however, all of the vendors can be brought together in a combination so that all purchasers must buy of the same vendor, competition is eliminated and the man who fixes the price, fixes it arbitrarily, and we know enough of human nature to know that he is apt to charge all that the traffic will bear. To illustrate this point, let us suppose a city in the midst of a desert whose people derive their water supply from a single spring. All must have water, and they must have it, no matter at what cost. If the one spring to which all must go is owned by an individual and he is permitted to charge what he will for water, he is sure to prosper as long as there is any money in the city. This is an imaginary case. It can not be real because the instinct of self-preservation is so strong that people would not permit the water supply of a city to be in the hands of one man with no regulation as to the price to be charged. In the cities which permit private corporations to control the water plants there is always provision for regulation of the price. I need only present the case of a real monopoly to show how intolerable it is. A monopoly is as abhorrent to the public as a vacuum is to nature, and yet, we have allowed monopolies to grow up in this country which do far more injustice and reap a larger profit from the injustice than the owner of the spring would in the supposed city in the desert, and these monopolies are tolerated only because the people are less informed about their methods and their influence.

I insist that the commandment "Thou shalt not steal" applies as much to the monopolist as to the highwayman, and we shall not make any national progress in the protection of the people from private monopolies until we are prepared to obliterate the line that society has drawn between the ordinary thief and the larger criminal who holds up society and plunders the public through the instrumentality of private monopoly. The man who stands by the wayside and, holding a revolver to your head, demands your money or your life is no more a criminal measured by every moral standard than the man who, obtaining control of a nation's fuel, collects a tribute from every householder, offering him the alternative of payment or suffering from lack of fire. I have mentioned a monopoly in fuel, but a monopoly in light, in food or in any other necessary of life is just as repugnant to the moral sense. It is entirely possible that very many of those who enjoy the benefits of monopoly—some as managers, some as directors and some merely as stockholders—are unconscious of the principle involved—unconscious of the moral character of their conduct, but surely this is an opportune time to impress upon the conscience of the nation the real moral character of the conduct of the monopolist.

And it is not sufficient that we shall appeal to the conscience of the monopolist alone. If a highwayman were to engage a lawyer to follow a few rods behind him with a horse that he might have a ready means of escape after having committed an act of robbery, we would call the lawyer a party to the crime and we would visit upon him the same punishment visited upon the principal in the robbery; and so if someone living near the spot where the robbery was committed furnished the robber with a change of clothing or in return for a part of the booty conspired with him to conceal the booty until suspicion was past, such a one could not escape legal responsibility for the crime, and yet it is