

...THE RELATION OF TAXATION TO WAGES...

If wage earners were once seriously to engage in an investigation of the relation of taxation to wages, they would lose little time getting at the foundation of their wrongs. They would see how vitally this question, which commonly they think does not touch them at all, is indeed the root question affecting all people.

The real reason why the people at large pay so little attention to this question, is because of the common, stupid belief that "tax-payers" are only those who march up to the public treasurer and receive receipts for the payment of their taxes. Now, if a tax payer is one who pays money for the support of government, it is possible that the very heaviest of tax payers may never actually receive or ever see a tax receipt, while one may receive tax receipts, made out to himself in the sum of hundreds of dollars, and never actually be a tax payer at all.

Let me illustrate this in this wise: If government, as ours does, sustains itself by a tax upon food and clothing and all forms of the necessities of life, it is evident that those who buy these things with the product of their own toil are actual tax payers, though they may never realize the fact. On the other hand a man may get possession of a tract of land of little or no value, under our present system of taxation, and having done so he may go to China, and never see his land. But enterprising people come along, build a city upon this land, through their enterprise make it immensely valuable. As they build up the community the need of revenue arises. Taxes are levied upon this community of people, upon all the property of the community, including the properties belonging to the man who has never seen them nor added one iota to the wealth and advancement to the community. When the tax receipts are made out, they are made to him, while he has merely collected rents from these people, and in paying him these rents, the tenants were paying all taxes.

Another thing. Every conceivable form of wealth comes from the earth. It is without value, and in fact is not wealth, until the active principle, labor, enters and transforms it into wealth. Say this natural source is a tree. Labor enters and makes that tree a table. The tree, as such including the ground on which it grew was practically untaxed. But government needs revenue, and so government taxes the table, as the one tangible piece of wealth it finds. Though labor has produced the table, it does not own it. The table belongs to the man who owned the land on which the tree grew. This man "furnished employment" to the toiler who made the table. The toiler is just as apt to need the table as the land owner. This land owner has paid the toiler two dollars for the work of making the table. Government comes along and taxes the table one dollar—actual cost three dollars. Now, even though we assume that the original land owner asks nothing for himself, assuming that he is

indeed what he says he is, one who "furnishes employment to labor," it's evident that the laborer cannot buy the table except for half again as much as he received in making it. Thereby his purchasing power is limited.

Look a bit further. It is evident that so long as government maintains itself by taxing the table, it increases the price of the table and it increases the value of the land, because it is seen that the investment in the land is certain, while investment in tables is doubtful and precarious. As the value of the land increases, it follows that the laborer finds it increasingly difficult to get at the source of supply, in order that his skill may transform this natural element into wealth. In other words, his opportunity for employment grows less all the time, and as he is divided into a great many toilers, and each of these toilers must live somehow, another comes and offers to make the table for a dollar and a half. Of course the land owner accepts the offer, and then even the poor fool who does the labor for a dollar and a half agrees that the land owner has "furnished him with labor."

Now, then, if the foregoing is not self-evident, I must repeat that the land owner, by monopolizing the source of supply, is able to dictate the wages, and the wage earner has nothing to say but accept it.

By the system of taxation followed the land owner is originally given this power to make an actual slave of the producer, and by the same system of taxation, the producer is unable to buy back the product of his own skill, even for the sum he received in producing it. This is exactly the system under which industry and enterprise are working today, and no intelligent person will attempt a denial of this statement.

Some folk will rise here and parrot the silly statement that it is "machinery" that does it. Machinery is the product of human toil, and were the source of supply left free the same labor that first produced it could do so again.

Now, let us assume that we entirely reverse our system of taxation. What would happen if, instead of taxing the table the product of labor, we were to tax only the natural source of supply, the earth? Bear in mind, tax not the earth, the land, but its value. Yes, what would happen? Briefly this: The owner of the land would find that he could not afford to pay the tax except by using the opportunity he held for the production of wealth. He could not go to work himself, which he never did before, but he would go into the market to find laborers who would toil for him. The conditions would be exactly reversed. There would be many of him, and they would compete among themselves for the labor that might be in the market. The laborer would not need to say, "Please will you give me leave to toil?" But rising in his native manhood, he could say, "What do you pay?" And if the man were not disposed to pay to the laborer at least as

much as that laborer could pay himself by applying himself to the natural element, which would then be free to him, it is not likely that he would work for that man. Is it not evident, even to the most formal mental capacity, that under such conditions there could be no such thing as "wage slavery?" And the real reason there could be no "wage slavery" would be because the wage earner would always have the alternative of employing himself.

I could elucidate these simple truths without end, and show many more related things, but this letter would be drawn out too much. Permit me only to urge that a tax upon the things made by human toil is a tax upon toil, not only in making the toiler who buys back the product pay that tax, but through artificially increasing the price of the thing he must buy, he limits the market for that thing. As he limits the market for the products of his toil, he limits the opportunity for employment. As he limits the opportunity for employment he forces down the wages he receives, for the reason the wage earners are forced to compete against each other for the few chances of employment. And more than this. As he relieves the land of taxation, which he does by placing the cost of government upon other things, he encourages speculation in land, which forces it out of use, and still further limits his opportunity for employment.

Nor would such a tax be unjust to the land holder. For it does not take from him, nor from anybody, anything which he individually has produced, for the value of land is purely a social product, caused by growth and enterprise of all, attaching to a thing, the land, which no men made, but which was given by a beneficent Father for the abode and happiness of all His children.

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"STATES RIGHTS."

"It is now becoming quite the thing for a federal court of inferior jurisdiction to the supreme court to invade the province and rights of these sovereign states by subterfuge, cunning device and fallacious reasoning, and thus nullify state laws and tie up generally the government of these states, depriving them of the right to control their own internal commerce."

No, those are not the words of a "secessionist" and a "nullificationist." Neither are they words of a labor agitator. They are the words of a republican governor of a progressive western state. And they met with the approval of the governors of twenty-eight other states in all parts of the republic. They were uttered by Chester H. Aldrich, governor of Nebraska.

"I know not what other states may think," continued Governor Aldrich, "but I can speak for my own state and say that she demands the right and privilege to be allowed to do those things which her sovereignty, her independence and her liberty says she may do.

"I say this that my state will not only