

hire skillful lawyers to present technicalities in his defense. If, however, he steals a large sum, it becomes quite a different matter, and the sum may be so large that we overlook the man's rascality in our amazement at the genius which he has displayed. As a rule, the man who steals a million dollars has a better chance of escape than the man who steals a thousand. So true is this that it has been suggested that we amend the commandment to read "Thou shalt not steal upon a small scale." Judge Jere Black, the celebrated Pennsylvania lawyer, in his argument in the Credit Mobilier case quoted a man of affairs as saying that to rob an individual was criminal, to rob a corporation was reprehensible, to rob a municipality was a matter of doubtful morality, to rob a state was meritorious—but to rob the United States was the highest achievement of human virtue. We should attempt to cultivate a public opinion which will remove the distinction between grand larceny and glorious larceny and insure the enforcement of the criminal law against all offenders alike, regardless of the amount stolen and regardless of the social, business or political position of the thief.

But my object tonight is rather to draw your attention to the various ways in which larceny may be committed. There is a distinction that can be drawn between direct and indirect larceny; that is, between the one who does the stealing himself and the one who does it through another, and this is a larger subject than at first appears, for those who produce conditions which result in such gross injustice that the victims of the injustice are driven to destitution, to despair, to desperation and finally to theft—those who produce these conditions are not entirely guiltless. But the discussion of this subject would lead us into sociology, and I want to confine myself to criminology.

For the purposes of this discussion let us divide larceny into two classes—larceny in violation of the law and larceny through the operation of law. While both branches of the subject are important, the second branch is the larger and the less considered. I think I am within the truth when I say that measured by the value of the property taken, stealing through the operation of law, if not so frequent, reaches a larger aggregate than stealing in violation of the law. But the stealing which is done in violation of law is enormous and the methods employed many. Take for illustration the administration of our tax laws. Let us suppose that the law is made by well-meaning legislators and in its requirements approaches justice as closely as infallible man can approach justice. The assessor is sometimes corrupted—not always by money but more often by influence. That is, the person favored does not always pay the assessor a fixed sum but helps to elect him or re-elect him and thus becomes responsible for the continuation of his salary.

Inequality in taxation is merely a form of larceny. If two men live side by side and one contributes in taxation ten dollars when his just share is only five dollars and the other only pays five when he ought to pay ten, one loses five dollars that he ought to keep while the other keeps five dollars that he ought to give to the government. The effect in this case is just the same as if one man took the other man's property and applied it to his own use. The fact that the government, acting as a collector, took the five dollars from the man who is overburdened and gave it to the man who is underburdened does not change the character of the transaction.

If inequality in taxation is due to the act of an assessor who, at the solicitation of a property owner under-assesses him, then the assessor and the man favored are guilty of the wrongful taking of the property of another. If we examine the assessment books in any city, we will find many instances such as that above mentioned. One piece of property will be assessed at half its value, another piece of property at a third of its value, and still another at a fourth of its value, and where there is this difference in the basis of assessment, the discrimination is usually in favor of the large property holder who is able to exert an influence upon the assessor to bias him in favor of an under-valuation.

Not only is the large business block often favored at the expense of the small home, but the property of big corporations is often favored at the expense of individual holders. Take for instance a street car company, a water plant or a gas plant. On the stock market these franchise-holding corporations never forget to count in the value of the franchise, and this intangible asset is sometimes as valuable as the physical

properties owned by the corporation. Taxes are generally estimated on the basis of physical property while the dividends are paid upon the face value of the stocks and bonds. It seems strange that a corporation which receives a valuable franchise from the public as a gift should refuse to pay taxes in proportion to the market value of its stocks and bonds, and yet, there is scarcely a city or state in which the public is not in a constant struggle to compel franchise-holding corporations to pay their share of the taxes, and even then the basis upon which they pay is notoriously lower than the basis upon which the individual property owner, especially the small property owner pays.

If a certain sum is to be collected in taxes and some pay less than they should, the others must pay more than their share. Is it not worth while to insist that both the under-assessed citizen and the unscrupulous official shall obey the commandment "Thou shalt not steal?"

I need not waste time on the tax dodger or the smuggler, for those who, by concealment, deliberately deceive the assessor or collector are as guilty of larceny as if they boldly took the property of others.

But what if the fault is in the law itself? What shall we say if those who make the law write it with the intention of overburdening some and releasing others from just obligations? Time does not permit an extended discussion of the various systems of taxation. If we were discussing the question of taxation in a fundamental way, we would have to consider the claims of all systems, existing and proposed, but I am not now considering new systems but rather the injustice connected with the systems in operation. In local taxation we are constantly confronted with the question "Shall personal property be taxed?" and there are many who argue that because personal property is difficult to locate, it should be exempt. This argument is based upon the theory that it is better not to attempt to collect a tax upon personal property than to make an unsuccessful attempt. While I recognize that it is easier to collect taxes on visible than on invisible property, I am convinced that the owners of visible property should not pay their own taxes and in addition thereto 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 officers, 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 preconceived 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